

**DRAFT RED HERRING PROSPECTUS**

Dated: April 06, 2018

Please see section 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)  
**Book Building Offer****FINECURE PHARMACEUTICALS LIMITED**

Our Company was incorporated as 'Finecure Pharmaceuticals Limited' under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U24230GJ2005PLC045724. For further details of incorporation and history of our Company, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 138.

**Registered Office:** 612 to 615 Anand Mangal-Complex III, Nr Parimal Garden, Rajnagar Club Lane, Ellisbridge, Ahmedabad, Gujarat, India, 380 006. **Telephone:** +91-79-4903 0405; **Facsimile:** +91-79-4903 0400;  
**Corporate Office:** 306, Third Floor, Third Eye One Complex, Opposite Havmor Restaurant, Panchvati, C.G. Road, Ahmedabad, Gujarat, India, 380 006. **Telephone:** +91-79-4903 0903; **Facsimile:** +91-79-4903 0915;  
**Contact Person:** Ms. Sonamben Zakiya, Company Secretary & Compliance Officer; **E-mail:** compliance@finecurepharma.com; **Website:** www.finecurepharma.com;

**Corporate Identity Number:** U24230GJ2005PLC045724**OUR PROMOTERS: MR. VIKASH RAJGARHIA, MR. VIVEK RAJGARHIA AND MR. VISHAL RAJGARHIA**

INITIAL PUBLIC OFFERING OF UP TO 43,40,000\* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES"), AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ["PUBLIC OFFER"] COMPRISING OF A FRESH ISSUE OF UP TO 36,40,000 EQUITY SHARES AGGREGATING ₹ [●] LAKHS ["FRESH ISSUE"] AND AN OFFER FOR SALE OF UP TO 7,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS COMPRISING AN OFFER OF UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MR. VIKASH RAJGARHIA, UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MR. VIVEK RAJGARHIA, UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MR. VISHAL RAJGARHIA, UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MS. USHADEVI RAJGARHIA, UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MS. POOJA RAJGARHIA, UP TO 1,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS BY MS. ARCHANA RAJGARHIA (COLLECTIVELY REFERRED TO AS THE "PROMOTERS/PROMOTER GROUP SELLING SHAREHOLDERS") OUT OF WHICH UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF (A WIDELY CIRCULATED GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE" REFERRED TO AS THE "STOCK EXCHANGE"), FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITE.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES**

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations"), wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Offer Price. All investors (except Anchor Investors) shall participate in this Offer mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. For details, refer "Offer Procedure" beginning on page 391.

**RISK IN RELATION TO THE OFFER**

This being the first public offer of the Equity Shares, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹10 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and the Selling Shareholders in consultation with the BRLM, in accordance with the SEBI ICDR Regulations, and as stated in "Basis for Offer Price" on page 94 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 19.



**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholders accepts responsibility for and confirms that the information relating to itself and the Equity Shares being offered by it in the Offer for Sale contained in this Draft Red Herring Prospectus are true and correct in all material aspects and are not misleading in any material respect. Each Selling Shareholders, severally and not jointly, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge" referred to as the "Stock Exchange") in terms of the Chapter XB of the SEBI (ICDR) Regulations, as amended. We have received in-principle approvals from NSE for the listing of the Equity Shares pursuant to letters dated [●] from NSE for using its name in the offer document for listing of our shares on the EMERGE Platform of NSE. For the purpose of this Offer, the Designated Stock Exchange will be NSE.

**BOOK RUNNING LEAD MANAGER****REGISTRAR TO THE OFFER**

 <b>Hem Securities Ltd.</b> <b>HEM SECURITIES LIMITED</b> 904, Naman Midtown, A wing Senapati Bapat Marg, Elphinstone Rd. Lower Parel, Mumbai-400013 <b>Telephone:</b> +91 22 4906 0000 <b>Facsimile:</b> +91 22 4906 0061 <b>Email:</b> ib@hemsecurities.com <b>Contact Person:</b> Mr. Anil Bhargava <b>Website:</b> www.hemsecurities.com <b>SEBI registration number:</b> INM000010981	 <b>LINK INTIME INDIA PRIVATE LIMITED</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 <b>Telephone:</b> +91 22 49186200 <b>Facsimile:</b> +91 22 49186195 <b>Email:</b> finecure ipo@linktime.co.in <b>Investor grievance email:</b> finecure.ipo@linktime.co.in <b>Contact Person:</b> Ms. Shanti Gopalakrishnan <b>Website:</b> www.linkintime.com <b>SEBI Registration Number:</b> INR000004058 <b>CIN:</b> U67190MH1999PTC118368
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**BID/OFFER PERIOD\*\***

<b>BID/OFFER OPENS ON**</b>	[●]
<b>BID/OFFER CLOSES ON***</b>	[●]

\*Number of shares may need to be adjusted for lot size upon determination of Offer price

\*\* Our Company and the Selling Shareholders, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*\* Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies, as amended or re-enacted from time to time.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Listing Regulations, the Depositories Act or the Rules and Regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits", "Financial Statements" and "Main Provisions of the Articles of Association" beginning on pages 97, 173 and 436, respectively, shall have the meaning ascribed to such terms in such sections. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

*Unless the context otherwise indicates or implies, all references to "the Issuer", "Issuer Company", "the Company", "our Company" "Finecure Pharmaceuticals Limited" or "Finecure" or "FPL" are references to Finecure Pharmaceuticals Limited and references to "we", "our" or "us" are references to our Company, together with its Associate Company, if any.*

#### **Company and Selling Shareholders Related Terms**

<b>Term</b>	<b>Description</b>
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended.
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 177 of the Companies Act and as described in the chapter titled "Our Management" beginning on page 150.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being M/s Shah & Iyer, Chartered Accountants and as mentioned in the chapter titled "General Information" beginning on page 64.
Associate Company	Finebiotics Pharma Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 303, Third Eye One, Opposite White House, C.G. Road, Ahmedabad, Gujarat, India – 380006
Bankers to our Company	The Bankers to the Company as mentioned in the chapter titled "General Information" beginning on page 64.
Board or Board of Directors or our Board	The Board of Directors of our Company, as duly constituted from time to time, and includes any committee(s) of the Board constituted in accordance with the Companies Act, 2013. For further details, see chapter titled "Our Management" beginning on page 150.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company as mentioned in the chapter titled "General Information" beginning on page 64.
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company as mentioned in the chapter titled "General Information" beginning on page 64.
Corporate Office	The corporate office of our Company situated at No: 306, Third Floor, Third Eye One Complex, Opposite Havmor Restaurant, Panchvati, C.G. Road, Ahmedabad, Gujarat, India-380006
CSR Committee	The Corporate Social Responsibility Committee of the Board as described in the chapter titled "Our Management" beginning on page 150.
Director(s) / our Director(s)	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of face value of ₹ 10/- each.
Equity Shareholders	Persons / Entities holding Equity Shares of our Company
Executive Director(s)	The Managing Director and Whole-time Director(s) of our Company.
Group Company	The companies included under the definition of "Group Company" under the SEBI (ICDR) Regulations and identified by the Company in its Materiality Policy. For further details, please refer to section titled "Our Group Company" beginning on page 168.

ISIN	International Securities Identification Number being INE020Z01017
Key Managerial Personnel/KMPs	Key Managerial Personnel of our Company in terms of Regulation 2(1)(s) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled <i>"Our Management"</i> beginning on page 150.
Materiality Policy	The policy adopted by our Board on January 16, 2018 for identification of Group Companies, outstanding material litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under Schedule VIII of the SEBI (ICDR) Regulations.
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended
Mr. Vikash Rajgarhia	Mr. Vikash Rajgarhia wherever referred to shall mean Mr. Vikash Haremurari Rajgarhia having PAN ACBPR5208E
Mr. Vishal Rajgarhia	Mr. Vishal Rajgarhia wherever referred to shall mean Mr. Vishal Haremurari Rajgarhia having PAN AEMPR9907D
Mr. Ashish S. Sanghvi	Mr. Ashish S. Sanghvi wherever referred to shall mean Mr. Ashish Subhash Chandra Sanghvi having PAN BPKPS0187Q
Ms. Sonamben Zatkia	Ms. Sonamben Zatkia wherever referred to shall mean Ms. Sonamben Vijaykumar Zatkia having PAN ABAPZ2080Q
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board constituted under Section 178 of the Companies Act and as described in the chapter titled <i>"Our Management"</i> beginning on page 150.
Ointment Unit	Plot no 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand
Partnership Firm	M/s Finecure Medisciences ( <i>Previously known as M/s Modern Door Devices</i> ) a firm with its principal place of office located at 306, Third Eye One, Panchvati, Ahmedabad-380006. The Partnership Firm has been recently dissolved vide a deed of dissolution dated March 30, 2018.
Peer Review Auditor	An Independent Auditor having a valid Peer Review certificate, in our case being M/s SVK & Associates, Chartered Accountant and as mentioned in the chapter titled <i>"General Information"</i> beginning on page 64.
Promoter, Promoters or our Promoters	Promoters of our Company being Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia, and Mr. Vishal Rajgarhia. For further details, please refer to the chapter titled <i>"Our Promoters and Promoter Group"</i> beginning on page 164.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as disclosed in the chapter titled <i>"Our Promoters and Promoter Group"</i> beginning on page 164.
Registered Office	The Registered office of our Company situated at 612 to 615 Anand Mangal-Complex III, Near Parimal Garden, Rajnagar Club Lane, Ellisbridge, Ahmedabad, Gujarat, India 380 006.
Restated Consolidated Financial Statements	The restated consolidated financial information of our Company, Partnership Firm and our Associate Company which comprises of the restated consolidated balance sheet, the restated consolidated profit and loss information and the restated consolidated cash flow information as at and for the 9 (nine) months ended December 31, 2017 and for the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated standalone financial information of our Company which comprises of the restated standalone balance sheet, the restated standalone profits and losses and the restated standalone cash flows statement as at and for the for the 9 (nine) months period ended December 31, 2017 and for Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 together with the annexures and the notes thereto, which have been prepared in accordance with the Companies Act, the applicable Accounting Standards and restated in accordance with the SEBI (ICDR) Regulations.

RoC or Registrar of Companies	Registrar of Companies, Gujarat, situated at RoC Bhavan, Opposite Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India-380 013.
Rudrapur Unit	Shimla Pista, Kichha, Rudrapur, Udham Singh Nagar, Uttarakhand
Sanand Unit	Sanand II Industrial Estate, Sanand, Gujarat
Shareholders	Shareholders of our Company
Selling Shareholder(s) / Promoters/Promoter Group Selling Shareholders	Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia, Mr. Vishal Rajgarhia, Ms. Ushadevi Rajgarhia, Ms. Pooja Rajgarhia, Ms. Priti Rajgarhia and Ms. Archana Rajgarhia.
Stakeholders Relationship Committee	The Stakeholders' Relationship Committee of our Board constituted under Section 178 of the Companies Act and as described under the chapter titled <i>"Our Management"</i> beginning on page 150.
You, your or yours	Prospective investors in this Offer

### Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary (ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	Successful Bidders(s) to whom Equity Shares are being/have been allotted/transferred.
Anchor Escrow Account	Account opened with Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements, specified in the SEBI (ICDR) Regulations.
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Allocation Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLM
Anchor Investor Application Form	An application form used by Anchor Investors to make a bid in the Anchor Investor Portion and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLM, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders (other than Anchor Investor), to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders which has been blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than Anchor Investor).
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	Any Bidder other than an Anchor Investor
ASBA Form/ Bid Cum	An application form, whether physical or electronic, used by ASBA Bidders bidding

<b>Term</b>	<b>Description</b>
Application	through the Red Herring Prospectus.
Banker(s) to the Offer	Escrow Collection Bank, Refund Bank and Public Offer Account Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful ASBA Bidders under the Offer and which is described under the chapter titled "Offer Procedure" beginning on page 391.
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the ASBA Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer.
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bid received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati newspaper [●] (Gujarati being the regional language of Ahmedabad, where the registered office of our Company is situated) each with wide circulation and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations which shall also be notified by advertisement in the same newspapers where the Bid/ Offer Opening Date was published, in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bid received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be published in all editions of the English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati newspaper, [●], (Gujarati being the regional language of Ahmedabad, where the registered office of our Company is situated) each with wide circulation.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders (other than Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor
Bidding/Collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Offer is being made
Book Running Lead Manager or BRLM	The book running lead manager to the Offer namely Hem Securities Limited.
Broker Centres	Broker centres notified by the Stock Exchanges, where the ASBA Bidders (other than Anchor Investors) can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of National Stock Exchange of India Ltd ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including

<b>Term</b>	<b>Description</b>
	any revisions thereof
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branches of the SCSBs which co-ordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated CDP Locations	Such centres of the CDPs where ASBA Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Date	The date on which funds from the Anchor Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC.
Designated Intermediary(ies)	Collectively the members of the Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the RTAs where ASBA Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Ltd.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated April 06, 2018 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer and shall include any addendum or corrigendum thereto.
Eligible FPI	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Share
Eligible NRI	A non-resident Indian, from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
Emerge Platform of NSE/ SME Exchange	The EmERGE platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors

Term	Description
	will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated [●], entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Bank and Refund Bank for collection of the Bid Amounts and where applicable remitting refunds, if any, on the terms and conditions thereof.
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a Banker to an Offer and with whom the Escrow Account has been opened, in this case being [●].
First/Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares, being ₹ [●] per Equity Share.
Fresh Issue	The fresh issue of up to 36,40,000 Equity Shares aggregating up to ₹ [●] Lakhs by our Company.
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in the chapter titled "Offer Procedure" beginning on page 391.
Market Making Agreement	Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case [●] is the sole Market Maker.
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs for the Market Maker in this Offer.
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-offer Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Bidders or Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2,00,000/- (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
NSE	National Stock Exchange of India Limited
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹[●] per Equity Share aggregating ₹ [●] Lakhs by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further information about use of the Offer Proceeds and the Offer expenses, please refer to the chapter titled "Objects of the Offer" beginning on page 86.
Non-Resident Offer	A person resident outside India, as defined under FEMA and includes FIIs and FPIs The initial public offer of up to 43,40,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue

Term	Description
	of up to 36,40,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs and the Offer for Sale of up to 7,00,000 Equity Shares by [●] aggregating up to ₹ [●] Lakh.
Offer Agreement	The agreement dated February 5, 2018 between our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale / OFS	The offer for sale of up to 7,00,000 Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholders at the Offer Price in terms of the Draft Red Herring Prospectus. For further details in relation to Selling Shareholders, please refer to the chapter titled <i>"The Offer"</i> beginning on page 63.
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Offer Price has been decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Draft Herring Prospectus
	Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Offer that is available to our Company and the Selling Shareholders For further information about the use of Offer Proceeds, please refer to the chapter titled <i>"Objects of the Offer"</i> beginning on page 86
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Pre-Offer Advertisement	The pre-Offer advertisement to be published by our Company under regulation 47 of the SEBI ICDR Regulations and section 30 of the Companies Act, 2013 after registration of the Red Herring Prospectus with the RoC, in all editions of the English national newspaper [●] and all editions of the Hindi national newspaper [●] and all editions of Gujarati Newspaper (Gujarati also being the regional language of Ahmedabad, where our Registered Office is located), each with wide circulation
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof.  The Price Band and the minimum Bid Lot size for the Offer has been decided by our Company and the Selling Shareholders in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/Offer Opening Date, English national newspaper [●], all editions of the Hindi national newspaper [●] and the [●] edition of the Gujarati newspaper [●] (Gujarati being the regional language of Ahmedabad, where the registered office of our Company is situated) each with wide circulation.
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLM, will finalize the Offer Price.
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations containing inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto.
Public Offer Account	Account opened with the Banker to the Offer i.e. [●] under Section 40 of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
Public Offer Account Agreement/ Banker to the Offer Agreement	Agreement dated [●], entered into between our Company, Selling Shareholders, Book Running Lead Manager, the Registrar to the Offer and Public Offer Bank/Banker to the Offer for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis

Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	The Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of funds	Refunds through NACH, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchange, through which investors can buy or sell securities listed on stock exchange, a list of which is available on <a href="http://www.nseindia.com">http://www.nseindia.com</a>
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Link Intime India Private Limited having registered office at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.
Registrar Agreement	The agreement dated February 5, 2018, entered by our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents or RTAs	Registrar and Share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹2,00,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Individual Bidder(s) Portion	The portion of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Offer) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The Agreement to be entered into between the Selling Shareholders, our Company, BRLM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sub-Syndicate members	A SEBI registered member of National Stock Exchange of India Limited appointed by the BRLM and/or Syndicate Member to act as a Sub- Syndicate Member in the offer.

Syndicate Agreement	Agreement dated [●] entered into amongst the BRLM, the Syndicate Members, our Company and the Selling Shareholders in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an Underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Systemically Important Non-Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net worth of ₹ 50,000 lakhs or more as per the last audited financial statement
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)	[●]
Underwriting Agreement	The agreement dated [●] entered into between the Underwriters, Selling Shareholders and our Company.
Working Day	Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays.

### Conventional and General Terms

Term	Description
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Companies Act, 1956	Companies Act, 1956 ( <i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i> ) along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
Depository	A depository registered with SEBI under the Depositories Act, 1996.
Depository Participant/ DP	A depository participant registered with SEBI under the Depositories Act.
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the National Stock Exchange of India Limited (NSE).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.

<b>Term</b>	<b>Description</b>
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations ( <i>defined later</i> ).
Financial Year/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations ( <i>defined later</i> ) and registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
Income Tax Rules or the IT Rules	The Income Tax Rules, 1962, as amended
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.
LLP Act	The Limited Liability Partnership Act, 2008
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Red Herring Prospectus.
NRE Account	Non-resident external account
NRO Account	Non-resident ordinary account
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI Listing Regulations / SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended
State Government	The government of a state of the Union of India
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations

#### Technical and Industry Related Terms

<b>Term</b>	<b>Description</b>
Alu	Aluminium
ANDA	Abbreviated new drug application submitted to US FDA
APIs	Active Pharmaceutical Ingredient
AHUs	Air Handling Unit
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
B2B	Business-to-Business

<b>Term</b>	<b>Description</b>
BA/BE Studies	Bioavailability/ bioequivalence Studies
CC	Complementary Currency
CNS	Central Nervous System
CPI	Consumer Price Index
CVD	Cardiovascular disease
CY	Current Year
DG	Diesel Generator
DPCO	Drug Price Control Order
EIR	Establishment Inspection Report
EMs	Emerging Markets
ER	Extended Release
EU markets	European Markets
FR & D	Formulation Research and Development
GDUFA	Generic Drug User Fee Amendments
GERD	Gastroesophageal reflux disease
GIDC	Gujarat Industrial Development Corporation
GMP	Good Manufacturing practices
Headwind	Condition or situation that will help move growth higher
IPE	Indian Pharma Expo
IPM	Indian Pharmaceutical Market
KVA	Kilo-Volt-Ampere
LATAM	Latin America
MAT	Moving annual total
MDI	Metered Dose Inhaler
Mid teens	13%-19%
NAFDAC	The National Agency for Food and Drug Administration and Control
NSAIDS	Nonsteroidal anti-inflammatory drug
NCEs	New chemical entities
NLEM	National List of Essential Medicines
NPPA	The National Pharmaceutical Pricing Authority
PICS	Pharmaceutical Inspection Co-operation Scheme
OPBITDA	Operating profit before Interest, tax, depreciation and amortization
Pharmexcil	Pharmaceuticals Export Promotion Council
PVC	Polyvinyl chloride
QA	Quality Assurance
QC	Quality Control
R&D	Research and development
ROW	Rest of World
SIIDCUL	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited
SKUs	Stock Keeping Unit
Tailwind	Condition or situation that will help move growth higher
UK MHRA	United Kingdom Medicines & Healthcare products
US FDA	United States Food and Drug Administration
UCPMP	Uniform Code of Pharmaceuticals Marketing Practices
UEPPCB	The Uttarakhand Environment Protection and Pollution Control Board
WHO	World Health Organization

**General terms/ Abbreviations**

<b>Term</b>	<b>Description</b>
₹ or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year
Approx	Approximately
B.A.	Bachelor in Arts
B.Com	Bachelor in Commerce
B. E.	Bachelor in Engineering
Bn	Billion
B. Sc	Bachelor in Science
B.Tech	Bachelor in Technology
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
BSE	The BSE Limited
CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
CV	Curriculum vitae
DA	Dearness Allowance
DIN	Director Identification Number
DP ID	Depository participant's identification
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India

<b>Term</b>	<b>Description</b>
ISO	International Organization for Standardization
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
N.A.	Not Applicable
NACH	National Automated Clearing House
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves ( <i>excluding reserves created out of revaluation</i> ) less deferred expenditure not written off ( <i>including miscellaneous expenses not written off</i> ) and debit balance of profit and loss account, divided by number of issued Equity Shares.
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account.
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
PO	Purchase Order
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SAP	Systems, Applications & Products in Data Processing
SME	Small and Medium Enterprises
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Willful Defaulter	Willful Defaulter as defined under Section 2 (1)(zn) of the SEBI (ICDR) Regulations.
-, ()	Represent Outflow

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references to India are to the Republic of India and all references to the Government” are to the Government of India.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless stated otherwise, the financial data included in this DRHP are derived from our Restated Financial Statements, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the chapter titled *"Financial Statements"* beginning on page 173. Our Restated Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 months' period ended March 31 of that year. The Restated Standalone Financial Statements as of and for the 9 (nine) months period ended December 31, 2017 and the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the Restated Consolidated Financial Statements as of and the 9 (nine) months period ended December 31, 2017 and for the Financial Years ended March 31, 2017 and 2016 are included in this Draft Red Herring Prospectus.

In this DRHP, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP has not been provided in this Draft Red Herring Prospectus. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, Ind AS, the Companies Act, the SEBI (ICDR) Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, relating to the financial information of our Company as set forth in *"Risk Factors"*, *"Our Business"*, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and elsewhere in this DRHP unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in the chapter titled *"Financial Statements"* beginning on page 173.

### **Currency and Units of Presentation**

In this Draft Red Herring Prospectus, references to "Rupees" or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S. \$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakhs" units. One lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off

**Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this DRHP has been obtained and derived from the report titled "Indian Pharmaceuticals Industry: Domestic business impacted by GST implementation: US business continue to face price erosion and regulatory overhang" prepared by ICRA Limited (the "Report") and publicly available information as well as other industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of this information. Although, we believe that the industry and market data used in this DRHP is reliable, neither we nor the BRLM nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this DRHP is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed under section titled "*Risk Factors – Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable*" beginning on page 37. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI (ICDR) Regulations, we have included under section titled "*Basis for Offer Price*" beginning on page 94, information pertaining to the peer group entities of our Company. Such information has been derived from publicly available data of the peer group companies.

## **FORWARD LOOKING STATEMENTS**

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "seek", "shall", "will", "will continue", "going forward", "will pursue" or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the pharmaceutical industry in India and abroad and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the pharmaceutical industry.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:

- Any disruptions in production at, or shutdown of, our manufacturing facility;
- Non-performance by these distributors or marketing agents may adversely affect our business operations, profitability and cash flows;
- Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs;
- Our ability to successfully implement our strategy, growth and expansion plans,
- The outcome of legal or regulatory proceedings that our Company is or might become involved in,
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations and government policies that apply to or affect our business or the Pharmaceutical Sector;
- Increased competition in the Pharmaceutical Industry;
- Our ability to commercialize products in a timely manner;
- Any manufacturing or quality control problems may damage our reputation for high quality production and expose us to potential litigation or other liabilities, which would negatively impact our business, prospects, results of operations and financial condition;
- Our performance may be adversely affected if we are not successful in assessing demand for our products and managing our inventory;
- The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations
- The performance of the financial markets in India and globally;
- Our failure to keep pace with rapid changes in technology;
- Failure to obtain any applicable approvals, licenses, registrations and permits necessary for our Business; in timely manner,

For a further discussion of factors that could cause our actual results to differ, refer to section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 19 and 327 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Future looking statements speak only as of the date of this DRHP. Neither we, our Directors, Book Running Lead Manager, Underwriter(s), Selling Shareholders nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange. Each of the Selling Shareholders will ensure that investors are informed of material developments in relation to statements and undertakings made by such Selling Shareholders in the DRHP until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II: RISK FACTORS

*An Investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in the draft red herring prospectus, including the risks and uncertainties described below before making an investment decision in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. If any of the risks described below actually occur, our Company's business, results of operations and financial condition may be adversely affected, the trading price of our Equity Shares may decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, the financial implications of any of the risks mentioned below may not be possible to quantify.*

*The risks enumerated herein below are not exhaustive. We may be subject to several other risks, some of which may not be presently known to us or which we currently consider immaterial. Any one or more risks not enumerated herein below, if they occur, may have a material adverse impact on our Company's business, results of operations and financial condition.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Draft Red Herring Prospectus (including the financial statements incorporated in this Draft Red Herring Prospectus).*

### **MATERIALITY**

*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in future.*

### **Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 19 and "Management Discussion & Analysis of Financial Condition and Results of Operations" on page 327 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.*

### **INTERNAL RISKS**

- 1. We are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.**

Our Company, our Associate Company, our Group Company, our Promoters and Directors are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled "Outstanding Litigation and Material Developments" at page 344. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

<b>Nature of the Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount Involved (₹ in Lakhs)*</b>
<b>Litigations against our Company</b>		
Civil	4	2.00
Tax Proceedings	8	1.65
<b>Litigations by our Company</b>		
Civil	2	Not Ascertainable
<b>Litigations against our Directors and Promoters</b>		
Civil	1	Nil
<b>Litigations against our Directors and Promoters</b>		
Civil	2	Nil
<b>Litigations by our Group Company</b>		
Civil	1	Nil
Tax Proceedings	5	0.19

*\*Amount mention to the extent quantifiable. The amounts may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on the date of this Draft Red Herring Prospectus.*

Any developments in the proceedings, against us, our Associate Company, our Group Company our Promoters and our Directors may create constrains to make provisions in our financial statements which may have an adverse impact on our business, goodwill, result of operations and financial condition.

**2. *We do not own our Registered Office and other premises from which we operate.***

Our registered office situated at 612 to 615, Anand Mangal-Complex III, Nr. Parimal Garden, Rajnagar Club Lane, Ellisbridge, Ahmedabad is taken on lease basis from our promoter Mr. Vishal Rajgarhia and the relatives of our promoters namely, Ms. Pooja Rajgarhia and Ms. Priti Rajgarhia. Similarly, our administrative office situated at Office No 303, 3rd Floor, 3rd Eye One Complex, C.G. Road, Ahmedabad and godown is taken on lease basis from our Group Company and third party respectively. For further details in relation to our Properties, please refer to the chapter titled "*Our Business*" beginning on page 110. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate the aforementioned premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

**3. *Our Company owns certain agricultural lands which are pending for conversion into nonagricultural land.***

Our Company has purchased certain agricultural lands i.e. land on Survey No. 319/5, mouje: Kerala, Taluka: Bavla, Sub: Dist. Dholka, Ahmedabad through a registered sale deed dated April 20, 2010 and Survey No. 319/2, mouje: Kerala, Taluka: Bavla, Sub: Dist. Dholka, Ahmedabad through a registered sale deed dated April 20, 2010 for investment purpose. As on date of this Draft Red Herring Prospectus, our Company is not carrying any business activities on the said lands.

We have made applications dated May 17, 2016 for both the properties to concerned authorities for conversion of agricultural land into nonagricultural land, we cannot provide any assurance that the concerned authorities will provide approval for the said conversion, in which event, the above land may not be available to our Company for industrial or other use.

**4. *Being a pharmaceutical company, we operate in a highly regulated and controlled industry. Any change in regulatory environment may have an impact on the business of the Company.***

Being a pharmaceutical company operate in an industry which is highly regulated and controlled. The industry has extensive regulations pertaining to research, testing, and manufacturing, quality standards, selling and marketing of pharmaceutical products. Regulatory authorities in each of these markets must approve our products before our Company or our distribution agents can market them. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these

regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions. Regulatory agencies may at any time inspect our manufacturing facilities for the quality of our products. If any inspection or quality assessment results in observations/ alerts or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for the manufacturing and marketing new products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products or impose fines upon us. In many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approvals varies by country, but generally takes between six months and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

We believe that our Company keeps itself abreast of the various developments relating to the regulatory environment and gears itself in order to comply with such regulatory changes, application and the renewal of regulatory approvals. However, in case our Company is unable to adapt itself to such regulatory changes, obtain the necessary approvals / renewals for all our products the business of the Company may be impacted adversely.

**5. *Acute category under therapeutic segment generate a significant portion of our income and our business, prospects, results of operations and financial condition may be materially and adversely affected if products in the acute category do not perform as well as expected or if competing products become available or gain wider market acceptance***

We derive a significant portion of our revenue from a range of products in acute category such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins and Nutraceuticals etc.

Any material adverse developments with respect to products in the acute category, or any failure to successfully introduce new products in other therapeutic categories to compensate for any losses in the acute category, could have a material adverse effect on our business, prospects, results of operations and financial condition.

As a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand or supply of our products, our revenues from these products may decline in the future. Similarly, in the event of any breakthroughs in the development or invention of alternative drugs for the acute category, we may be exposed to the risk of our products becoming obsolete or being substituted by these alternatives.

**6. *Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products.***

In India, pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and margins offered to trade. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the revised DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The DPCO 2013 governs the price control mechanism for formulations listed in the National List of Essential Medicines. Under the DPCO 2013, the price of scheduled drugs is determined on the basis of the average market price of the relevant drug, arrived at by considering the prices charged by all companies that have a market share of equal to or more than 1.0% of the total market turnover on the basis of moving annual turnover of the drug.

The DPCO 2013 was amended in 2016 and the Drugs (Price Control) Amendment Order, 2016 fixed or revised ceiling prices of certain formulations under the DPCO. The NPPA may also notify the ceiling price for additional formulations under the DPCO or some or all of the remaining formulations listed in the National List of Essential Medicines.

Under terms of the DPCO 2013, non-compliance with the notified ceiling price or breaching the ceiling price would be tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging. Further, noncompliance with the price notification issued by NPPA, could also attract prosecution of the officers of the company under the Essential Commodities Act, 1955 including imprisonment for a term of up to seven years and shall also be liable to pay a fine. Any action against us or our management for violation of the DPCO 2013 may divert management attention and could adversely affect our business, prospects, results of operations and financial condition.

Further, if our ability to freely set prices for our products is restricted by government regulation, healthcare legislation and pressure from third parties, our revenues and our profits may be reduced. While we cannot predict the nature of the measures that may be adopted by governmental organizations or their effect on our business and revenues, the announcement or adoption of such proposals may affect our result of operations.

**7. *Any manufacturing or quality control problems may damage our reputation for high quality production and expose us to potential litigation or other liabilities, which would negatively impact our business, prospects, results of operations and financial condition.***

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in most jurisdictions. Our Manufacturing unit located at Rudrapur, Uttarakhand manufactures products in accordance with stipulated manufacturing practices. We must register our facilities with regulatory authorities and our products must be made in a manner consistent with good manufacturing practices ("GMP") or similar standards stipulated by concerned regulatory authorities. In addition, we are required to meet various quality standards and specifications for our customers under our contracts with the customers.

Furthermore, we are liable for the quality of our products during the entire shelf life of the product. We also face the risk of loss resulting from any adverse publicity, any contamination of our products by intermediaries, re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell.

Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent government approved testing laboratories. If any such independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition.

We may also face the risk of loss resulting from the adverse publicity associated with manufacturing or quality problems. Such adverse publicity may harm the brand image of our Company and our products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

We also face the risk or loss resulting from product liability lawsuits, whether or not such claims are valid. A successful product liability claim may require us to pay substantial sums and may adversely affect our results of operations and financial condition.

**8. *Stricter marketing norms prescribed by a new code of conduct in India for companies doing business in the pharmaceuticals industry could affect our ability to effectively market our products which may affect our profitability.***

In 2014, the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, Government of India introduced Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) with effect from January 1, 2015. This code of conduct for marketing practices for the Indian pharmaceutical industry is expected to be voluntarily adopted by pharmaceutical companies

The UCPMP amongst other things provides detailed guidelines about promotional materials, conduct of medical representatives, physician samples, gifts and relationships with healthcare professionals. For example, under the UCPMP, pharmaceutical companies may not supply or offer any gifts, pecuniary advantages or benefits in kind to persons qualified to prescribe or supply drugs. Further, the management of the company is

responsible for ensuring adherence to the UCPMP and a self-declaration is required to be submitted by the management within two months of the closure of every financial year to the industry association. Although these guidelines are voluntary in nature, they may be codified in the future and we may have to spend a considerable amount of time and resources to conform to the requirements of the UCPMP.

**9. *Our Company exports our products to Africa, Latin America and South East Asia. Any adverse events affecting these countries could have a significant adverse impact on the results of operations.***

For the year ended March 31, 2017 and the nine months period ended December 31, 2017, our restated consolidated and standalone revenue from sale of goods in international markets contributed to 12.01% and 25.76% respectively of the total revenue from sale of products (the remainder of our revenue from operations is comprised of other operating income, which are not divided into domestic and international sales). Our Company exports its products to Africa, Latin America and South East Asia. Our company has also marked its presence in international markets such as Macau, Srilanka, Turkmenistan, Nigeria, Kenya, Cambodia, Hong Kong, Afghanistan, Myanmar, Peru and Sierra Leone. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to Environment, Health and Safety (EHS) norms, quality standards, branding or restrictions on usage of certain products/ raw materials, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected.

**10. *Our International operations expose us to complex management, legal, tax and economic risks, which could adversely affect our business, results of operations and financial condition.***

For the year ended March 31, 2017 and the nine months period ended December 31, 2017, our revenue from sale of goods in international markets contributed to 12.01% and 25.76% respectively of the total revenue from sale of products. Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions in which we operate are subject to differing interpretations. Differing interpretations of tax and other fiscal laws and regulations may exist within various governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. Due to our limited operating history in these international jurisdictions, the applicability of the different accounting and taxation standards are subject to complex interpretation and as a result we may be exposed to risks as a result of non-compliance with such standards. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, may result in our tax risks being significantly higher than expected. Any of the above events may result in an adverse effect on the business, financial condition and results of operations.

In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. If we do not effectively manage our international operations, it may affect our profitability from such countries, which may adversely affect our business, results of operations and financial condition.

**11. *The products that we commercialize may not perform as expected which could adversely affect our business, financial condition and results of operations.***

Our success depends significantly on our ability to commercialize pharmaceutical products in India and across various markets around the world. Commercialization requires us to successfully develop process, test, manufacture and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards. Our formulation process currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products.

**12. *Our performance may be adversely affected if we are not successful in assessing demand for our products and managing our inventory.***

We evaluate our production requirements according to anticipated demand based on forecasted customer order activity for our products. Our inventory balances of materials are influenced by our production requirements, shelf life of the raw materials, expected sourcing levels and changes in our product sales mix.

It is important for us to anticipate demand for our products and any failure to anticipate, identify, interpret and react on the basis of anticipated/ desired demand or our failure to generate consumer acceptance or recognition of our new products, could lead to, among others, reduced demand for our products, which can adversely affect our results of operations. Further, the capacity of our current plant located at Rudrapur, Uttarakhand unit is not fully utilized, consecutively, if it continues so, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance. For details regarding capacity of our plant, please refer to the chapter titled "*Our Business*" beginning on page 110.

Efficient inventory management is also a key component for the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels to meet demand for our products, without allowing those levels to increase to such an extent that the costs associated with storing and holding the inventory adversely affects our results of operations. If our decisions to purchase raw materials do not accurately predict sourcing levels or our expectations about demand for our products are inaccurate, we may either not be able to manufacture products to service the demands, resulting in us having to cede market share to competitors or would have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations.

**13. *Our Company's expected production levels could be adversely affected by various factors***

Manufacturers of pharmaceutical products often encounter difficulties in production. These problems include difficulties with production costs and yields, product quality (caused by, among other things, process failure, equipment failure, human errors or other unforeseen events during the production cycle) and shortages of qualified personnel, as well as compliance with regulatory requirements, including GMP requirements. Because of the many steps involved in the production of pharmaceutical products, any interruption in one of the steps in the manufacturing process could cause delays in the entire production cycle. In addition, any material labour problems, such as a work stoppage or mechanical failure or malfunction could likewise lead to delays in production. Any of these problems could result in delay or suspension of production and may entail higher costs or other installment expenses. Furthermore, if our Company's suppliers fail to deliver necessary manufacturing equipment, raw materials or adequately perform the services outsourced by our Company to them, production deadlines may not be met. Any such developments could have a material adverse effect on our Company's business and financial operations.

**14. *Our Company has no formal supply agreement or contract with most of our vendors/suppliers for the uninterrupted supply of major raw materials and traded goods. Our business may be adversely affected if there is any disruption in the raw material supply or few traded goods.***

We do not have any formal agreements with our most of the vendors/suppliers and we operate on a purchase order system. Due to the absence of any formal agreement with most of our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials/traded goods supply or the non-availability of raw materials/traded goods, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials/traded goods were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials/traded goods, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. We believe that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

- 15. *Timely and successful implementation of our contracts, including our business arrangements, depends on our performance or failure in the implementation of our contracts may adversely affect our business, financial condition and results of operations.***

We have supply agreements with our Associate Company, Finebiotics Pharma Limited and Group Company, Global Medisciences Limited for supply of injectables and APIs, secondary packaging material respectively. We also manufacture formulations on contract manufacturing basis. Our contracts with our partners require us to supply our products or require our partners to supply us their products, in compliance with specific delivery schedules. Any failure to adhere to contractually agreed timelines on the part of either party may have the following consequences:

- delayed payment to us for our products;
- liquidated damages may become payable by us;
- performance guarantees may be invoked against us;
- claims may be brought against us for losses suffered as a result of our non-performance;
- our clients may terminate our contracts;
- disruption in manufacturing schedule;
- increase in cost; and
- damage to our reputation.

Our failure to deliver or receive our products on a timely basis or at all could adversely affect our business, financial condition and results of operations.

Our licensing and supply agreements with partners contain provisions that require us to provide such partners with certain quantities of our products. Any interruption in the supply by third party suppliers of raw materials, or any disruptions in production at our manufacturing facilities, could adversely affect our ability to supply certain quantities of our products and result in a breach of our contractual obligations with such partners.

- 16. *Our business largely depends on the performance of our distributors. Any non-performance by these distributors may adversely affect our business operations, profitability and cash flows.***

Our business largely depends on the performance of our distributors, who may be responsible for selling our products at domestic as well as international level. Currently, we have more than 350 distributors. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action.

Furthermore, our agreements with our distributors are fairly standard and may not adequately protect our Company in the event of any disputes or differences with our distributors. Any non-performance of obligations by our distributors or any breach of the terms of the agreement by our distributors may render our Company remediless and thereby consequently exposing our Company to adverse consequences and financial implications.

As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors.

- 17. *The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.***

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

- 18. *We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition.***

In recent years, we have experienced significant growth. Our restated consolidated and standalone net revenue from operations grew at a CAGR of 32.62% between Fiscals 2013 and 2017. Our growth strategy includes expanding our existing business and product portfolio in specific therapeutic areas. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our product portfolio.

Our ability to sustain and manage our growth depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining marketing representatives, growing the number of doctors prescribing our products and the number of prescriptions for our products, maintaining effective risk management policies, continuing to offer products which are relevant to our consumers, developing and maintaining our manufacturing facility and ensuring a high standard of product quality. Our failure to do any of the preceding could adversely affect our business, results of operations and financial condition.

- 19. *Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations including terms of approvals granted to us, may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation.

Additionally, for any non-compliance, the government or the relevant regulatory bodies may require us to shut down our manufacturing facility, which in turn could lead to product shortages that may delay or prevent us from fulfilling our obligations to our customers. The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including manufacturing permits and environmental, health and safety permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

- 20. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired and we may have either made or are in the process of making an application to obtain such approval or its renewal. We cannot assure that we will be able to obtain the approvals for which applications have been made including renewals in a timely manner or at all. For example our Company has not applied for registration under Gujarat Shops and Establishments Act, 1948 and Principal Employer registration under Contract Labour (Regulation and Abolition) Act. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulator claims that we have not complied, with such conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity, which would adversely impact our business and results of operations. For further details please refer to the chapter "Government and

*Other Statutory Approvals" beginning on page 351.*

- 21. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labourers for performance of some of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse effect on our results of operations, cash flows and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

- 22. *Our Company has delayed in making the required filings under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956***

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956, few of which have not been done within the stipulated time periods at some instances. Due to these delays in filings, our Company has on those occasions paid the requisite additional fees and made the filings with the RoC in compliance with the Companies Act.

Although our Company has not received any show cause notice in respect of the above, such delay, non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company is in process of setting up a system to ensure that the requisite filings are done appropriately and within the timelines.

- 23. *Our Company has not made provision for Gratuity Payment as required under The Payment of Gratuity Act 1972. The company has not complied with AS-15- Employee Benefits as issued by ICAI.***

The Accounting Policy followed by us is not in conformity with the Accounting Standard prescribed by the Institute of Chartered Accountants of India, regarding disclosure of Present Value of Obligations with respect to the retirement benefits to be paid to the employees. The Accounting Standard stipulates that these liabilities should be accounted in the Books on Accrual Basis. However our Company has made the suitable adjustments for the above in the restated financial statements as appearing on page 173.

- 24. *Our Associate Company has incurred losses in previous fiscal years***

Our Associate Company i.e. Finebiotics Pharma Limited has incurred losses in the previous fiscal years. Set forth below are the details of losses after tax incurred by our Associate Company in the recent past:

(₹ in Lakhs)

Particulars	Fiscal Year		
	2016-17	2015-16	2014-15
Losses after Tax	(6.31)	(199.82)	(102.54)

For details of the financials of our Associate Company, please refer to the chapter titled *"History and Certain Corporate Matters"* beginning on page 138.

- 25. *Our Company is not in possession of documents pertaining to certain litigation, approvals and certain Corporate filings described in the chapter titled "Outstanding Litigation and Material Developments", "Government and Other Statutory Approvals", "Capital Structure" and "History and Certain Corporate Matters".***

Our Company is not in possession of documents pertaining to certain litigation described in the chapter titled *"Outstanding Litigation and Material Developments"* beginning on page 344. Accordingly, reliance has been placed on court orders and undertakings furnished by the Company to describe the facts of litigation in the

aforesaid chapter.

Our company is unable to trace Form 23 filed with respect to increase in authorized capital from ₹30 Lakhs to ₹50 Lakhs pursuant to resolution dated December 23, 2005. Further, professional tax certificates and ESIC certificate are not available in the records of the Company and reliance has been placed on the challan's for registration numbers. Therefore, we cannot assure you that all information pertaining to the above is accurate.

**26. *If any of our products cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.***

Our products may be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies products containing the same or similar raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if one or more regulators, determines that products containing the same or similar pharmaceutical ingredients as our products could cause or lead to severe side effects.

If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including:

- a severe decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- withdrawal or cancellation of regulatory approvals for the relevant products or the relevant manufacturing facility;
- damage to the brand name of our products and our reputation; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions.

As a result of these consequences, our reputation, revenues and profitability may be adversely affected.

**27. *Our inability to protect or use our intellectual property rights may adversely affect our business, results of operation and financial condition.***

We, along with our Group Company i.e. Global Medisciences Limited have more than 100 trademarks registered as on the date of this Draft Red Herring Prospectus. Our Company is using the registered and unregistered trademarks that belong to our Group Company i.e. Global Medisciences Limited under a Royalty Agreement dated November 11, 2017. For details, please refer the chapter titled "Government and Other Statutory Approvals" beginning on page 351. Our brand names and trademarks are significant to our business and operations. We believe that several of the brand names of our products have significant brand recognition in their respective therapeutic areas.

The use of our brand names or logo by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Further as on date of this DRHP, our Company has more than 80 applied trademarks with the Registrar of Trademarks some of which have either been objected by the trademark office in the process registration or opposed by third parties, In the event any of our applications are rejected by Registrar of Trademarks, our business, results of operation and financial condition would be adversely affected.

Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

**28. *If we inadvertently infringe on the intellectual property rights of others, our business and results of operations may be adversely affected.***

We operate in an industry characterized by extensive patent and trademark litigation. While we primarily manufacture and commercialize products that are generic in nature, i.e., pharmaceuticals that are not protected by patents or trademarks in India, we may inadvertently infringe on trademarks of others during the process of manufacturing our products. Trademark related litigation can result in significant damages being awarded by

us and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to continue to manufacture or sell such products. While it is not possible to predict the outcome of trademark litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products and divert our management's attention. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

- 29. *We are subject to the risk of loss due to fire because the materials we use in our manufacturing processes are highly flammable. We are also subject to the risk of some other natural calamities or general disruptions affecting our production facilities and distribution chain.***

We use highly flammable materials such as solvent -Isopropyl alcohol (IPA) and Methylene dichloride (MDC) in our manufacturing processes and are therefore subject to the risk of loss arising from fire. Although we have implemented industry acceptable risk management controls at our manufacturing location and continuously seek to upgrade them, the risk of fire associated with these materials cannot be completely eliminated. In addition to fire, natural calamities such as floods, earthquakes, rains, inundations and heavy downpours could disrupt our manufacturing and storage facilities. We maintain insurance policies to guard against losses caused by fire. Our insurance coverage for damages to our properties and disruption of our business due to these events may not be sufficient to cover all of our potential losses. If any of our manufacturing facility were to be damaged as a result of fire or other natural calamities, it would temporarily reduce our manufacturing capacity and adversely affect our business operations, financial condition and results of operations.

- 30. *We may face difficulties executing our strategy including our expansion plans for our manufacturing facilities.***

We are making significant investments for setting up new manufacturing units in Sanand, Gujarat and Rudrapur, Uttarakhand. In addition, our Company is on the verge of setting up a manufacturing unit in relation to manufacturing of ointments for pain relief, derma, anti-fungal and anti-inflammatory in Rudrapur Uttarakhand (*Ointment Unit*). For further details please refer to the chapter titled "*Our Business*" beginning on page 110. A portion of the proceeds of the Fresh Issue is proposed to be utilized towards setting up of our Sanand manufacturing unit in relation to a manufacturing of coamoxiclav based formulations and manufacturing of others tablets, capsules and dry syrups. For further details, please refer the chapter titled "*Objects of the Offer*" beginning on page 86. The setting up new manufacturing units are subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and, as a result, adversely affect our business and operating results. Such strategic acquisitions and any disputes we may experience may require significant attention from our management, and the diversion of our management's attention and resources could have an adverse effect on our ability to manage business. Setting up new manufacturing units is subject to a number of events that could delay these projects or increase the costs including:

- shortages and late delivery of building materials and facility equipment;
- delays in the delivery, installation, commissioning and qualification of our manufacturing equipment;
- seasonal factors;
- labour disputes;
- design or construction changes with respect to building spaces or equipment layout;
- delays or failure in securing the necessary governmental approvals; and
- technological capacity and other changes to our plans necessitated by changes in market conditions.

Delays in setting up of any of our facilities could result in the loss or delayed receipt of earnings, an increase in financing costs and construction costs, and our failure to meet profit and earnings budgets would have an adverse effect on our financial condition and results of operations.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

- 31. *Any disruption in production at, or shutdown of, our manufacturing facilities could adversely affect our business, results of operations and financial condition.***

Our Company's current manufacturing facility and the proposed ointment unit are located at Rudrapur, Uttarakhand and all of our Company's products are manufactured from such facility. In the event that there are any disruptions at our Rudrapur facility due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, or any significant social, political or economic disturbances, our ability to manufacture our products may be adversely affected. Disruptions in our manufacturing activities could delay production or require us to shut down our manufacturing facility. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our Rudrapur facility to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals for manufacturing drugs are site specific, we may be unable to transfer manufacturing activities to another location immediately. Further, while we have not experienced any strikes or labour unrest at the Rudrapur Facility, or otherwise, in the past, we cannot assure you that we will not experience work disruptions in the future due to disputes or other problems with our work force. Any labour unrest may hinder our normal operating activities and lead to disruptions in our operations, which could adversely affect our business, results of operations, financial condition and cash flows.

- 32. *We rely extensively on our standard operating procedures and information technology systems in areas such as financial reporting, compliance and products processing/ quality assurance and non-compliance with such procedures or systems or their failure could adversely affect our operations.***

We rely on standard operating procedures and information technology systems in certain key areas of our business, such as accounting or book keeping, financial reporting and compliance with laws. We rely extensively on the capacity and reliability of such standard operating procedures, information technology systems, processing and quality assurance systems supporting our operations. Further, our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an ERP-SAP system to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation and other business functions. The size and complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and viruses. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Any failures in these systems or in following/implementing standard operating procedures could have a material adverse effect on our business, financial reporting, financial condition and results of operations.

- 33. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.***

We have taken Standard Fire & Special Perils Policy and burglary insurance for a substantial majority of our assets at our office, factory and warehouse. These policies also insure us against the risk of earthquakes (fire and shock). We also have motor insurance policy, Marine Cargo Open Policy and Key man insurance policy that covers our products while in transit and any economic loss. Our policies are subject to customary exclusions and customary deductibles. While we believe that the insurance coverage which we maintain is in accordance with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully or in part and on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, please refer to the chapter titled "*Our Business – Insurance*" on page 124.

34. ***If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.***

Our products face intense competition from products commercialized or under development by competitors in all of our therapeutic areas. We compete with local companies in India, multi-national corporations and companies in the countries in which we operate.

If our competitors gain significant market share at our expense, particularly in the therapeutic areas in which we are focused such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Multi-Vitamins, Cardio-vascular, and Anti-diabetic, our business, results of operations and financial condition could be adversely affected.

Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results.

35. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Our industry is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our pharmaceutical technologies become obsolete our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition.

36. ***We are dependent on our senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business.***

Our business and operations are led by our experienced management team as well as other skilled personnel. Our senior management is important to our business because of their experience and knowledge of the industry. Competition among pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. We cannot assure you that we will be able to retain any or all of the key members of our management team as well as other skilled personnel.

If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and key research and development personnel.

37. ***Non-compliance with the bar coding requirements stipulated by the Director General of Foreign Trade, ("DGFT"), from time to time, for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, could adversely affect our goodwill, business, financial condition and results of operations.***

Pursuant to applicable notices, notifications and circulars issued by the DGFT, from time to time, we are required to comply with bar coding requirements for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, provided, the importing country has not mandated a specific bar coding requirement. As the bar coding requirements mandated by the DGFT, are applicable in addition to the standard labelling requirements under the DCA and the Drug Rules, it may lead to an increase in packaging and other costs, thereby requiring us to allocate more resources and impeding our ability to operate and grow our business. Any non-compliance with the bar coding requirements as stipulated by the DGFT, could result in counterfeiting or piracy of our pharmaceutical products, thereby affecting our goodwill. We cannot assure you that we will be able to comply with all the bar coding requirements as stipulated by the DGFT, from time to time, within the prescribed time, or at all, failing which our goodwill, business, financial condition and results

of operations could be adversely affected.

38. ***Reliance has been placed on declarations and affidavits furnished by one of our Director who is a Promoter and Key Managerial Personnel of our Company, for details of their profiles included in this Draft Red Herring Prospectus.***

Mr. Vivek Rajgarhia (*Promoter and Whole-time Director*) has unable to trace copies of his educational qualifications. Accordingly, reliance has been placed on signed CV and affidavit furnished and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational qualification of Mr. Vivek Rajgarhia included in the sections "*Our Promoters, Promoter Group*" and "*Our Management*" on pages 164 and 150 respectively, as may be applicable, is complete, true and accurate.

39. ***We have had negative net cash flows in the past and may have negative cash flows in the future.***

We have had negative net cash flows for the following periods as set out below:

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Nine Months Period Ended	For the Year Ended		
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Net Cash Flow from/(used in) Operating Activities	447.93	1080.69	1172.47	761.32
Net Cash Flow from/(used in) Investing Activities	(775.84)	(1245.23)	(555.75)	(893.54)
Net Cash Flow from/(used in) Financing Activities	166.48	20.15	(30.20)	(66.70)

Standalone Cash Flow Statement:

(₹ in Lakhs)

Particulars	For the Nine Months Period Ended	For the Year Ended		
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Net Cash Flow from/(used in) Operating Activities	539.05	1080.69	1202.40	761.32
Net Cash Flow from/(used in) Investing Activities	(893.52)	(1245.23)	(586.79)	(893.54)
Net Cash Flow from/(used in) Financing Activities	166.48	20.16	(30.19)	(66.70)

For further details in relation to the negative net cash flows, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 327. We cannot assure you that our net cash flows will be positive in the future.

40. ***Our lenders have imposed certain restrictive conditions on us under our financing arrangements, which may limit our ability to expand our business and our flexibility in planning for, or reacting to, changes in our business and industry. We will also require a significant amount of cash to meet our obligations under such financing arrangements, which we may not be able to generate.***

Most of our financing arrangements are secured by substantially of our movable and immovable assets. Our financing agreements generally include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions and also covenants such as (a) prior permission before raising any further loans/ availing any facilities against the assets offered as security; (b) initiation for raising any further loans/ availing any facilities from other bank; (c) prior permission before any change in shareholding/ directorship/ partnership/ ownership; ( e) insurance

requirement in relation to properties against collateral security etc. For further details, please refer to the chapter titled "*Statement of Financial Indebtedness*" beginning on page 340.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

There can be no assurance that we will continue to comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any future inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. In addition, other third parties may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances or other consequences could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms.

**41. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

Our Company has taken secured loan from banks by creating a charge over our movable and immovable properties in respect of loans/facilities availed by us. The total amounts outstanding and payable by us for secured loans were ₹ 268.15 lakhs as on January 31, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on our business, financial condition and results of operations. For further details please refer to chapter titled "*Statement of Financial Indebtedness*" beginning on page 340.

**42. *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of December 31, 2017, contingent liabilities disclosed in our Restated Consolidated Financial Statements aggregated ₹ 99.23 Lakhs. Set forth below are our contingent liabilities that had not been provided for as of December 31, 2017:

<b>Nature of Contingent Liability</b>	<b>₹ in lakhs</b>
Guarantees given by bank on behalf of the Company	99.23

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details, please refer to the section titled "*Financial Information*" beginning on page 173.

- 43. *If we fail to establish and maintain effective internal control over our financial reporting, we may have misstatements in our financial statements and we may not be able to report our financial results in a timely manner and as a result current and potential investors could lose confidence in our financial reporting.***

If we fail to maintain the adequacy of our internal controls, we may be unable to provide financial information in a timely and reliable manner. Any such difficulties or failure may have an adverse effect on our business, financial condition and operating results. In the event that we are able to identify any errors or issues with our internal controls over financial reporting and we are not able to remedy the weakness in a timely manner, we may not be able to provide financial information in a timely and reliable manner and we may incorrectly report financial information, either of which could subject us to sanctions or investigation by regulatory authorities. In addition, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

- 44. *Our Promoters and Directors may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company to the extent of any transactions entered into or their shareholding and dividend entitlement in our Company or remuneration received from our Company. Our Directors are also interested in our Company to the extent of their shareholding and dividend entitlement, remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further information, please refer the chapter titled "*Our Management*", "*Our Promoters and Promoter Group*" and "*Related Party Transactions*" beginning on pages 150, 164 and 171, respectively.

- 45. *We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into transactions with our key management personnel, relatives of key management personnel and enterprises over which our key management personnel have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, see the chapter titled "*Related Party Transactions*" beginning on page 171.

- 46. *Fluctuations in interest rates could adversely affect our results of operations.***

An increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

- 47. *We have issued Equity Shares during the last one year at a price that may be below the Offer Price.***

Except Bonus allotment dated December 28, 2017, our company has not issued Equity Shares during the last one year at a price that may be lower than the Offer Price. For further details, please refer the section titled "*Capital Structure*" beginning on page 74.

- 48. *The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes require substantial amount of power facilities. We have arrangements for regular power supply at our factory premise. The total existing power requirement of our Rudrapur unit is around 410 KVA. The requirement of power is met by supply from Uttarakhand Power Corporation Limited. In addition to the said sanctioned power, our company has installed 250 KVA DG Set and 125 KVA DG Set and 200000K Cal fuel heater as standby arrangement in Rudrapur manufacturing unit, which is used in case of need/shortage or requirement of additional power and fuel. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity

produced is very high in view of oil prices and other constraints. Our Company is mainly dependent on State Government for meeting its electricity requirements. Any disruption/non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

**49. *The Shortage or non-availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing facility situated at Rudrapur, Uttarakhand, requires substantial amount of water facilities for manufacturing process and our Company uses borewell water for the same. The quantum and nature of water requirements of our industry is significant and requires continuous supply. Our Company is mainly dependent on borewell water for meeting its water requirements. Any disruption/non availability of water shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

**50. *Our operations may be adversely affected in case of industrial accidents at our production facility.***

Usage and handling of machinery or any sharp part of any machinery by labour during production process, handling of chemicals and materials, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

**51. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**52. *We are dependent upon the growth prospects of the healthcare sector, where our products are largely used to cater masses.***

Our Company falls under the pharmaceutical industry of which we undertake manufacturing and marketing of pharmaceutical products. Our products are used generally in the healthcare sector and thus cater to the requirements of the healthcare sector at large, thus any slowdown in the growth rate or downward trend in any healthcare facilities in the country directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

**53. *A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We rely on various forms of transportation, such as roadways, waterways, airways and railways to receive raw materials required for our products and to deliver our finished products to our customers. We also depend on third party transportation for delivery of our raw materials and finished products. Unexpected delays in those deliveries, including due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins. In addition, labor shortages or labor disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business.

Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

- 54. *Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.***

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, payment to suppliers and service providers and cash and cash equivalents. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to chapter titled "Objects of the Offer" beginning on page 86.

- 55. *The purposes for which the proceeds of the Fresh Issue are to be utilized have not been appraised by any bank or financial institution. In the event of any upward revision in the estimates, our proposed expenditure would increase which could adversely affect our results of operations, profitability and our ability to effectively implement our business plans.***

Our Company intends to use the Net Proceeds for capital expenditures described in the chapter titled "Objects of the Offer" beginning on page 86. Our Company's management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our Company's management in relation to the application of the Net Proceeds. The funding plans are in accordance with our Company's own estimates and current market conditions and have not been appraised by any bank or financial institution. Our Company may have to revise its management estimates from time to time and consequently, its requirements may change. This may result in the rescheduling of our expansion programmes or increase in our proposed expenditure for our expansion and which may adversely affect our results of operations profitability and our ability to effectively implement our business plans. Additionally, various risks and uncertainties, including those set forth in the section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business. Further, the utilization of the proceeds from the Fresh Issue will be monitored by our Board and is not subject to any monitoring by any independent agency.

- 56. *Our Company will not receive any proceeds from the Offer for Sale portion. Further, the deployment of the net proceeds is entirely at our discretion and is not subject to any monitoring by any independent agency.***

This Offer includes an Offer for Sale of upto 7,00,000 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion of the Equity Shares offered by the Selling Shareholders in the Offer for Sale and our Company will not receive any proceeds from such Offer for Sale. For further details, please refer to the chapter "Objects of the Offer" beginning on page 86.

- 57. *Portion of our Offer Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the gross offer proceed. As on date we have not identified the use of such funds.***

Portion of our Offer Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Gross Offer Proceeds. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act.

- 58. *There is no monitoring agency appointed by our Company to monitor the utilization of the Offer Proceeds.***

As per SEBI (ICDR) Regulations appointment of monitoring agency is required only for Offer size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer Proceeds. However, the audit committee of our Board will monitor the utilization of Offer proceeds in terms of SEBI Listing Regulations. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

59. ***We have not entered into any definitive arrangement to utilize certain portions of the Net Proceeds which may mean that we may not achieve the economic benefits expected from such expansion which could impact our business, financial condition and results of operations.***

We intend to utilize the Net Proceeds as indicated in the chapter titled "*Objects of the Offer*" beginning on page 86. A certain portion of the Net Proceeds is proposed to be utilized towards the purchase of capital equipment for our new manufacturing facility being set up at Sanand, Gujarat. At this stage, we have only received quotations, POs and performa invoices for the purchase of equipment. The actual procurement could entail significant outlay of cash in addition to the timeframe involved in procuring them. For further details, please refer to the chapter titled "*Objects of the Offer*" on page 86. Moreover, some of these quotations might expire and we might be required to obtain fresh quotations which we may be unable to obtain in a timely manner at the same rates which may impact our estimates or assumptions for the proposed expansion. Further, any delays in the purchase of equipment may mean that we may not achieve the economic benefits expected from such investment which could impact our business, financial condition and results of operations.

60. ***We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the "Objects of the Offer". Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for one of the objects of the offer i.e. working capital etc. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the offer proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "*Objects of the Offer*" beginning on page 86.

61. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements and our capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For details of dividend paid by our Company in the past, please refer to the chapter titled "*Dividend Policy*" beginning on page 172.

62. ***Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable.***

Neither the BRLM nor we have independently verified the data obtained and derived from the report titled "Indian Pharmaceuticals Industry: Domestic business impacted by GST implementation: US business continue to face price erosion and regulatory overhang" prepared by ICRA Limited as referred in this Draft Red Herring Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India and our industry in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to the chapter titled

"Industry Overview" beginning on page 99.

- 63. *Our Promoters have given personal guarantees in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters/ Directors ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.***

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by the personal guarantee of our Promoters. In the event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our Promoters withdraw or terminate his/their guarantee/s or security, the lenders for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please refer to the chapter titled "Statement of Financial Indebtedness" beginning on page 97.

- 64. *Conflicts of interest may arise out of common business undertaken by our Company and our Group Company.***

Our Associate Company i.e. Finebiotics Pharma Limited and Group Company i.e. Global Medisciences Limited are also authorized to carry similar activities as those conducted by our Company however we do not have any non-compete agreement/ arrangement with our Group Company and Associate Company which could give rise to conflict of interest. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, our Associate Company and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other company in which our Promoters have interests. There can be no assurance that our Promoters or Associate Company or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

- 65. *Certain agreements entered into by our Company may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

Certain lease agreements entered into by our Company in respect of its Registered Office and other premises and few agreements entered by our Company in ordinary course of business have not been stamped adequately or at all. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after getting the document adjudicated and paying the penalty for inadequate or no stamping. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

#### ***External Risk Factors***

- 66. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares shall be determined by our Company and the Selling Shareholders in consultation with the BRLM through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the

industry we operate in, developments relating to India, volatility in securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**67. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLM, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 94 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

**68. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

After the completion of the Offer, our Promoters will continue to own a majority of our outstanding Equity Shares. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an offer of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in "*Capital Structure*" on page 74, we cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

**69. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**70. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**71. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**72. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**73. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

**74. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The Government of India has recently released safe harbor rules with respect to acceptance by the Indian tax authorities of declared transfer prices for certain types of international transactions (including intra-group loans and corporate guarantees and for the manufacture and export of core and non-core automotive components) between an eligible assessee and its associated enterprises, either or both of which are not Indian residents. The benefit, if any that we may derive from the application of such rules in the future is unclear.
- the General Anti Avoidance Rules (“GAAR”) are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- The Government of India has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received Presidential assent on September 8, 2016, enables the Government of India and state governments to introduce GST. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such proposed legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

- 75. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.***

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under section titled "Financial Information of the Company" beginning on page 173, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

- 76. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realised on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and currently, such gains are not be subject to capital gains tax in India if Securities Transaction tax ("STT") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. The Finance Bill, 2018, tabled before the Parliament, proposes to withdraw the exemption on long-term capital gains tax from 1 April 2018 and to impose 10%, tax on such long-term capital gains in excess of ₹100,000. This proposal is subject to parliamentary process. Any long-term gain realised on the sale of equity shares, which are sold other than on a recognised stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

- 77. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 78. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**Prominent Notes:**

1. Initial Public Offering of up to 43,40,000 Equity Shares of face value of ₹ 10 each, at an Offer Price of ₹ [●] per Equity Share for cash, aggregating up to ₹ [●] Lakhs comprising of a Fresh Issue of up to 36,40,000 Equity Shares aggregating ₹ [●] Lakhs and an Offer for Sale of up to 7,00,000 Equity Shares aggregating to ₹ [●] Lakhs comprising an offer of up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vikash Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vivek Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vishal Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Ushadevi Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Pooja Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Priti Rajgarhia and up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Archana Rajgarhia. The Offer and Net Offer will constitute [●] % and [●] % respectively of the post- Offer paid-up Equity Share capital of our Company.
2. Our standalone net worth as on December 31, 2017 and March 31, 2017, as per our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus is ₹ 6310.60 lakhs and ₹ 5257.98 lakhs, respectively.
3. Our consolidated net worth as on December 31, 2017 and March 31, 2017, as per our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus is ₹ 6194.22 lakhs and ₹ 5141.09 lakhs, respectively Please refer to the section titled "*Financial Statements*" beginning on page 173.
4. The net asset value per Equity Share as on December 31, 2017 and March 31, 2017, as per our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus is ₹49.66 and ₹41.37, respectively, and as per our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus is ₹48.74 and ₹40.45, respectively. For further details, please refer to the section titled "*Financial Statements*" beginning on page 173.
5. The average cost of acquisition per Equity Share by our Promoters as on the date of this Draft Red Herring Prospectus is:

<b>Name of Promoters</b>	<b>Average cost of acquisition per Equity Share (₹)*</b>
Mr. Vikash Rajgarhia	2.37
Mr. Vivek Rajgarhia	1.68
Mr. Vishal Rajgarhia	0.65

*As certified by our Statutory Auditor M/s Shah & Iyer, Chartered Accountants by their certificate dated February 15, 2018.*

6. The average cost of acquisition per Equity Share by our Selling Shareholders (other than Promoters) as on the date of this Draft Red Herring Prospectus is:

<b>Name of Selling shareholders</b>	<b>Average cost of acquisition per Equity Share (₹)*</b>
Ms. Ushadevi Rajgarhia	1.14
Ms. Pooja Rajgarhia	2.15
Ms. Priti Rajgarhia	1.35
Ms. Archana Rajgarhia	1.85

*As certified by our Statutory Auditor M/s Shah & Iyer, Chartered Accountants by their certificate dated March 1, 2018.*

7. Our Company was incorporated as 'Finecure Pharmaceuticals Limited' under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U24230GJ2005PLC045724. For further details of incorporation and history of our Company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 99.
8. There has been no financing arrangement whereby our Promoter Group, our Directors, or any of their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.

9. For details of related party transactions entered into by our company with our Partnership firm, Associate Company and Group company please refer to the chapter titled "*Related Party Transactions*" on page 171, there have been no transactions between our Company, Partnership firm, Associate Company and Group company during the last Fiscal, i.e. Fiscal 2017.
10. Investors may contact the BRLM or the Company Secretary & Compliance Officer for any complaints/clarifications/information pertaining to the offer.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

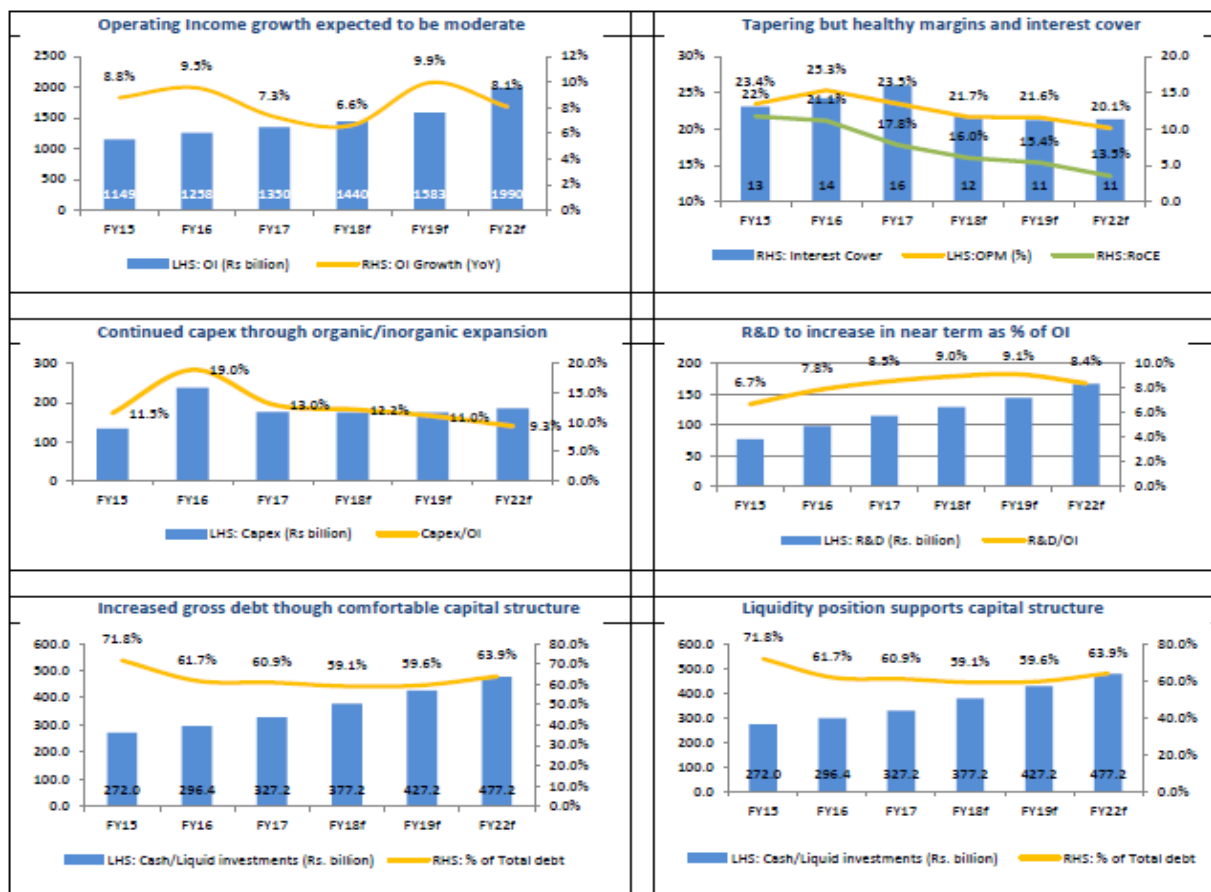
The Indian pharmaceutical companies have registered strong growth over last decade driven mainly by US market with CAGR of revenue growth from US during FY11-17 period for a sample set of 21 listed public companies at 19.3% on back of patent cliff with large brands going off patent and sizeable organic and inorganic expansion. However growth from US has come down to 14.4% in FY2016 and 4.0% in FY2017 with Q4FY2017 and Q1FY2018 registering decline in sales. Going forward the growth momentum may face some headwinds given the relatively moderate proportion of large size drugs going off patent, increased competition, generic adoption reaching saturation levels in the US market along base effect catching up for Indian exporters Further increased regulatory scrutiny as reflected in increased issuance of warning letters/import alerts and consolidation of supply chain in US market resulting in pricing pressures has impacted competitiveness of Indian pharmaceutical companies. Still given growing R&D thrust of Indian pharmaceutical companies with product pipeline comprising of specialty drugs, niche molecules and complex therapies, the growth outlook for Indian pharmaceutical companies remain comfortable. The domestic pharmaceutical industry has gained adequate scale and generic drug development capabilities over last decade of growth which will keep them in good stead to capture new opportunities in the US market.

The demand prospects from domestic market are likely to remain healthy given increasing spend on healthcare along with improving access though regulatory interventions, especially relating to price control and mandatory genericisation remain a concern. While growth prospects remain healthy in most of the emerging markets as well, the operating environment has been affected by confluence of factors including frequently evolving regulatory landscape, increasing competition and weakening macro environment across some of the oil dependent economies. Nevertheless, the longer-term outlook for Indian companies is favorable due to their growing product portfolio, inherent advantages of operating in branded generic markets and relatively low-base.

The profitability for the industry, though expected to remain healthy, faces pressure from relatively lower proportion of a) blockbuster drugs going off patent in the US over the near-term along with b) increased scrutiny from US FDA resulting in increased compliance costs c) consolidation of supply chain putting pricing pressures, d) rising R&D costs and other overheads and e) currency volatility related challenges in EMs. Overall, company specific factors would continue to play a pivotal role with quality of product pipeline (i.e. higher share of limited competition launches in the U.S.) being the single most differentiating factor. Companies with growing portfolio comprising of niche/complex products in regulated markets, diversified geographic-mix and established brands in EMs would be better placed to manage some of the headwinds.

Over the past few years, pharma companies have increased their R&D budgets significantly in view of their growing focus both on regulated markets and complex molecules/therapy segments.

The credit metrics of leading pharma companies are likely to remain stable in view of steady growth prospects in regulated markets and limited dependence of Indian pharmaceutical companies on bank borrowings. The OPBITDA/Interest and TD/OPBITDA for the sample set of 21 publicly listed entities in Indian pharmaceutical industry has been healthy at 16.0x and 1.7x respectively for FY2017 and is expected to remain in similar range in medium term despite some pressure on profitability and marginal rise in debt levels given inorganic investments.



(Source: Company Data, ICRA research for set of 14 Listed Indian Pharmaceutical Companies)

For further details, please refer "Industry Overview" beginning on page 99.

## SUMMARY OF BUSINESS

Our Company was incorporated in the year 2005 as a pharmaceutical company and is engaged in manufacturing and process development of pharmaceutical formulations in various therapeutic segments such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins and Nutraceuticals etc. within the acute and chronic category of the Indian Pharmaceutical Market.

Our Company launched its "Neocardiabcare" division in the year 2014 and expanded its operations in chronic category to manufacturing of formulations under cardiovascular and anti-diabetics therapeutic segments.

Our manufacturing unit is an ISO 9001-2015, ISO 14001-2015, ISO 18001-2007 and ISO 22000-2005 certified manufacturing facility located at Shimla Pista, Kichha, Rudrapur, Udham Singh Nagar-263148, Uttarakhand for manufacturing of pharmaceutical formulations under acute and chronic categories. Our manufacturing facility has been recognized by Directorate General of Medical Health and Family Welfare, India for compliance with good manufacturing practices stipulated by World Health Organisation with respect to manufacturing and testing of our products. Our manufacturing facility has also obtained certifications in respect of compliance with good manufacturing practices from various overseas authorities such as Directorate General of Drug Pharmacy and Laboratories Ivory Coast, Director General of National Agency for Food and Drug Administration and Control (NAFDAC), Nigeria and Registrar Pharmacy and Poisons Board, Nairobi.

As part of our expansion strategy, we have acquired 9893.60 sq mt. land for setting up our new manufacturing facility located at Sanand II Industrial Estate, Sanand, Gujarat in order to further grow our scale of operation in relation to our Clavulanic based formulations and other existing range of products. We have obtained the necessary approvals for our building plans and the civil construction work is under progress.

We had also invested in M/s Finecure Medisciences (*Previously known as M/s Modern Door Devices*) to enhance our scale in manufacturing of ointments in derma, anti-fungal, and anti-inflammatory therapeutic products by establishing a new ointment manufacturing facility on the land and building held by the firm located at Plot no. 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand. Our Company became a partner with 99.70% share in the profits and capital of the Partnership Firm vide a deed of partnership dated December 30, 2015.

Subsequently, the Partnership Firm was dissolved vide a deed of dissolution dated March 30, 2018 and all the movable and immovable assets of the firm including its proposed ointment unit was transferred to our Company. As on the date of the deed of dissolution, the civil work for the proposed ointment unit has been completed and installation of plant and machinery for the proposed ointment unit is in progress. For further details, please refer the section titled "*History and Certain Corporate Matters*" beginning on page 138.

Our Company has marked its presence in both domestic and global markets. In the domestic markets, we are majorly into the manufacturing, marketing and sale of formulations in the acute and chronic category of pharmaceutical products as well as into contract manufacturing for other pharmaceutical companies. In the global markets, we are into the manufacturing and sale of formulations and have our presence in Africa, Latin America and South East Asia.

Our domestic and international operations accounted for 74.24% and 25.76% and 87.99% and 12.01% of our revenues from sales of product for nine month period ended on December 31, 2017 and Fiscal Year 2017 respectively. Our restated consolidated and standalone net revenues from operations grew at a compounded annual growth rates ("CAGR") of 32.62% in the period from fiscal year 2013 to fiscal year 2017.

Our company has received more than 70 product registrations in countries namely Nigeria, Kenya, Cambodia, Myanmar, Hong Kong, Turkmenistan, Afghanistan and Peru. We have also applied for more than 60 product registrations in 7 new markets such as Sudan, Liberia, Mozambique, Tajikistan, Kyrgyzstan, Uzbekistan and Botswana as well as in the existing markets such as Myanmar, Nigeria and Turkmenistan. The product registrations if granted will boost our exports and business operations. Our Company endeavors to grow further by continuing to file product registrations in new international markets to further expand our operations in the international markets.

We also manufacture Clavulanic based formulations such as Co-Amoxiclav, Cefixime-Clav and Cefpo-Clav on contract manufacturing basis. Our company mainly supplies Amoxicillin and Clavulanic Acid combination of drug under private label of our clients. Amoxy clav is used to treat infections caused by certain bacteria. Amoxicillin works by killing the bacteria that is causing the infection. Clavulanic acid helps make the amoxicillin more effective. This medication is most commonly used to treat infections of the sinus, ear, lung, skin, and bladder. This combination basically comes under 'Anti-infective' therapeutic area. Clavulanic based formulations are sensitive to moisture and

temperature so it require low temperature of 23 degrees and low relative humidity of 20% RH to maintain throughout the manufacturing process. Our Manufacturing facility adheres to the aforesaid temperature and relative humidity levels.

Our Company has also ventured into marketing and distribution of injectables manufactured by our Associate Company i.e. Finebiotics Pharma Limited.

We generate significant demand for our products in India through field force of medical representatives employed by us and our distributors who also appoint their own medical representatives. The medical representatives promote our products amongst medical practitioners in various specialties as well as pharmacies and distributors to ensure that our brands are adequately stocked. Further to enhance our market presence and recognition, we get magazines printed for circulation in trade and amongst doctors periodically. We also advertise our brand and our products through media and participation in CMEs (Continuous Medical Education) and Conferences. We also market and sell our products through distributors based on distribution agreement for marketing and distributing our products across India and overseas. Our company is member of India Trade Promotion Organisation (ITPO), Pharmaceuticals Export Promotion Council (Pharmexcil) and actively participate in business delegation and trade fairs including overseas exhibitions to expand our international reach. Also we analyze market trend through market research data that keep us updated with respect to product portfolio and their target geographies.

Our promoters namely Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia who are also part of our Board of Directors have been associated with pharmaceuticals industry for over a decade. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our promoter, Mr. Vishal Rajgarhia is Doctor of Science (D.Sc) in the field of Management from KEISIE International University and has been recognised as "Most Impactful Healthcare Leader, 2017" from World Health & Wellness congress and CMO Asia, "Influential Leader of India 2017" for excellence in the Field of Business from ERTC, "Global Business Leadership Award" by World Peace and Diplomacy Organisation for best performance in the field of manufacturing Pharmaceutical Formulations (West India) and "Certificate of Leadership" by ASSOCHAM for remarkable contribution towards India's Pharma Awareness Drive in State of Gujarat 2016. Mr. Vishal Rajgarhia serves as Chairman, Pharma Council, ASSOCHAM Gujarat, Co-Chairman, ASSOCHAM National Council on Drugs and Pharmaceuticals and Confederation of Indian industry (CII), Gujarat Pharmaceutical Taskforce.

Our company has been awarded with "International Arch of Europe Award – Germany" for Quality & Technology in Gold Category in the year of 2012, "Assocham India Business Excellence Award 2013", "Asia's Most Promising Brand" validated by Consumers & Industry, "IPE Fastest Growing Pharma Company Award 2015", "Innovation in Process and Formulation development Award 2016" by CIMS " MEDCON - Pharma Company of the Year 2016 – (Operational Excellence) by Assocham, India, "Dream companies to work for Pharmaceuticals" by Times Ascent World HRD Congress and "SME Company of the year in 2018" by ET Now. For further details in relation to awards and recognitions of our company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 138.

For the nine months period ended December 31, 2017 and for year ended on March 31, 2017 and March 31, 2016, our restated consolidated and standalone net revenue from operations was ₹ 8388.97 Lakhs, ₹ 9788.28 Lakhs, and ₹8780.59 Lakhs respectively. Our restated standalone profit after tax attributable to shareholders was ₹1081.74 Lakhs and ₹1376.12 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively.

Further, our restated consolidated profit after tax attributable to shareholders was ₹1083.29 Lakhs and ₹1369.03 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively. Our restated standalone and consolidated profit after tax attributable to shareholders has grown at a CAGR of 34.76% and 34.59% respectively between Fiscals 2013 and 2017 demonstrating our focus on sustainable profit growth over such period.

Our business operations can be broadly categorised into domestic and international operations: Our revenue from sale of goods from domestic and international market is as follows: -

Revenue from Sale of products*	Period Ended				Fiscal			
	December 31, 2017		2017		2016		2015	
	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products
Domestic	6125.14	74.24	8570.95	87.99	7889.94	90.44	6242.83	95.85
Export	2125.44	25.76	1170.02	12.01	833.82	9.56	270.52	4.15
<b>Total</b>	<b>8250.58</b>	<b>100.00</b>	<b>9740.97</b>	<b>100.00</b>	<b>8723.76</b>	<b>100.00</b>	<b>6513.35</b>	<b>100.00</b>

\* the remainder of our revenue from operations is comprised of other operating income, which are not divided into domestic and international sales

## Our Competitive Strength

### 1. *Quality assurance and standards*

Our company was founded in 2005 with a mission and vision of "Making lives Healthier" by providing quality medicines with innovation and technology. Quality plays one of the most vital roles in the success of any organisation. We are focused on providing high quality products and services. We adopt quality check to ensure the adherence to desired specifications and quality. Our Priority is to control all areas at the time of producing our medicines, from approval of raw materials to the commercialization process. Our focus on quality is evidenced by the quality certifications and accreditations that our facility has obtained from various domestic and international accreditation agencies. Certifications like ISO and GMP as per WHO guidelines from authorities in India and GMP certifications from overseas authorities such as Directorate-Drug Pharmacy and Laboratories, Ivory Coast, NAFDAC, Nigeria and Pharmacy and Poison Board, Nairobi indicates our commitment of adherence to high quality standards.

### 2. *Experienced management team*

We have seen strong growth under the vision, leadership and guidance of our founders, Mr. Vikash Rajgarhia, Mr. Vishal Rajgarhia and Mr. Vivek Rajgarhia. We believe that, leadership is the result of team work allowing issues and ideas to be developed, widening our competitive advantage. Our Promoters, who also form part of Board of Directors of our Company, have a proven background and experience of more than a decade in the manufacturing of pharmaceutical formulations. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. We believe our Management's overall experience will help us in addressing and mitigating various risks inherent in our business, including technical problems, significant competition and the global economic crisis etc.

### 3. *Diversified business operations and revenue base*

Our business is diversified in terms of geographies and therapeutic areas within the pharmaceutical industry. In terms of geographical diversity, we have marked our presence in India and international markets such as Macau, Srilanka, Nigeria, Kenya, Cambodia, Hong Kong, Afghanistan, Myanmar, Peru, Venezuela and Sierra Leone. In terms of products, we have multiple brands across various therapeutic areas. Our diversified revenue base enables us to mitigate the risk of income concentration by spreading revenue across multiple sources and opens opportunities to new prospects of growth.

#### **4. *Strong sales, marketing and distribution capabilities***

We have been supplying our products on Pan India basis and hence are not dependent on any particular region. We believe that our wide spread domestic presence not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value. For our distribution channel, we have more than 350 distributors as on December 31, 2017. For "Neocardiabcare" division, we are supplying the products in the state of Gujarat and Madhya Pradesh through our own designated sales and marketing team.

In addition to the above, we have also implemented ERP-SAP to review and monitor sales-distribution, demand planning and sales forecasting. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms. Our IT integration with Processes is awarded for its excellence by ABP News Excellence award 2017.

#### **5. *Enhanced focus on process development***

Innovation and quality is the core driving forces of the company. Our company continues to evolve by limitless dimension of evolution through process development to cater the specific requirements of a given product while meeting process quality and cost objectives. Our FR & D Department is dedicated towards developing manufacturing process with inbuilt quality control checks and validations.

#### **6. *Scalable Business Model***

We believe that we have scalable business model as our business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both domestic and international by exploring customer needs, marketing expertise and by maintaining the consistent quality output.

#### **7. *Global Presence***

Our Company is operating both in domestic and export markets. Currently our Company caters to Asian, African and Latin American markets. We have generated export revenue of ₹ 2125.44 lakhs and ₹ 1170.02 lakhs for nine month period ended on December 31, 2017 and for the year ended March 31, 2017 respectively which is 25.76% and 12.01% of our total standalone revenue from operations. Our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations. Our Company has also been recognized by Government of India as a "One Star Export House" and holds a valid certificate for the same from the Director General of Foreign Trade.

### **Business Strategy**

#### **1. Broaden and Deepen presence in existing product portfolio**

We intend to continue to consolidate our position in our key therapeutic areas such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins, Nutraceuticals, cardiovascular and anti-diabetics and increase our overall Market share through following initiatives:

- Strengthen our position with respect to manufacturing of Clavulanic based formulations through our proposed manufacturing facility located at Sanand, Gujarat with a target to penetrate regulated markets
- Grow the scale of operation in ointments in pain relief and derma therapeutic areas through our upcoming manufacturing facility at Rudrapur, Uttarakhand.
- Enhancement of prescriptions and prescriber base in key specialty areas;
- Identification of gaps in our product portfolio for the introduction of new products;
- Enhancing the productivity and efficiency of our sales and marketing personnel through training, technology and exploiting synergies between divisions

- Launching new innovation driven products adding value to product mix.

2. Focus on chronic division

Our company has launched “Neocardiabcare” the chronic division focusing on Cardiovascular and Diabetic therapeutic areas. A chronic condition is a human health condition or disease that is persistent or otherwise long-lasting in its effects or a disease that comes with time. While risk factors vary with age and gender, most of the common chronic diseases are caused by dietary, lifestyle and metabolic risk factors. Although India has been successful in managing communicable diseases like polio and cholera, the number of cases related to lifestyle diseases has increased drastically in recent times. Seeing the immense potential in this segment our company has ventured into chronic division in 2014 and intend to expand its operation under this segment.

3. Increase global market presence by targeting regulated markets

As part of our growth strategy, we intend to target regulated markets as well as enhance our presence in existing geographies. We intend to obtain approvals from regulated markets for our proposed manufacturing facility located at Sanand, Gujarat. Our growth strategy will vary from country to country depending on country specific regulatory requirements. We may out license companies with strong local presence or alternatively appoint local distributors through which we can undertake distribution and marketing. The commercialization of products under registration will add to growth. We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships which we believe will be beneficial to increase our presence in International Markets.

4. Expand our manufacturing scope by adding more products

We currently own and operate our manufacturing unit in Rudrapur, Uttarakhand. This unit has capability to manufacture formulations catering to different therapeutic segments like Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins, Nutraceuticals, cardiovascular and anti-diabetics etc.

With our current and proposed facilities, we intend to increase our product range further and thus cater to more therapeutic segments and enhance our reach to diversified customers. Our Company believes that expanding our scope by manufacturing more formulations will enable us to utilize our capacities, manpower and other resources better. The marketing of the new products will be aided by our existing customer base, long standing trade relations and overall goodwill in the pharmaceutical industry.

5. Improve operational efficiencies

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We shall continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

**SUMMARY OF FINANCIAL INFORMATION**

The following tables set forth the summary financial information derived from:

- (a) The consolidated Restated Financial Statements for the nine months ended December 31, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013; and
- (b) The standalone Restated Financial Statements for the nine months ended December 31, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.

The Restated Financial Statements referred to above are presented under "*Financial Statements*" beginning on page 173. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 173 and 327, respectively.

**Annexure I: Restated Consolidated Statement of Assets and Liabilities:**
**(₹ in Lakhs)**

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>(1) Equity &amp; Liabilities</b>						
Shareholders' Funds						
(a) Share Capital	1,270.87	127.09	127.09	127.09	127.09	127.09
(b) Reserves & Surplus	4,934.40	5,014.00	3,664.09	2,701.26	2,001.63	1,577.06
	<b>6,205.26</b>	<b>5,141.09</b>	<b>3,791.18</b>	<b>2,828.35</b>	<b>2,128.71</b>	<b>1,704.15</b>
<b>(2) Minority Interest</b>	<b>2.94</b>	<b>0.19</b>	<b>0.19</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Non Current Liabilities</b>						
(a) Long-term borrowings	41.85	93.29	28.71	25.17	1.22	5.82
(b) Deferred tax liabilities (net)	66.44	59.87	43.65	26.35	9.37	7.56
(c) Long-term provisions	26.95	25.96	18.60	14.30	10.06	7.48
	<b>135.25</b>	<b>179.11</b>	<b>90.96</b>	<b>65.82</b>	<b>20.65</b>	<b>20.87</b>
<b>(4) Current liabilities</b>						
(a) Short-term borrowings	259.55	-	-	-	61.31	133.76
(b) Trade payables						
– Dues to Micro & Small Enterprises	2.63	2.56	2.40	2.82	0.80	-
– Dues to Other Than Micro & Small Enterprises	1,489.27	956.61	1,279.05	870.10	741.69	513.16
(c) Other current liabilities	406.43	472.75	412.93	340.36	216.48	147.82
(d) Short-term provisions	213.08	105.08	106.85	75.65	26.07	41.33
	<b>2,370.95</b>	<b>1,537.00</b>	<b>1,801.23</b>	<b>1,288.93</b>	<b>1,046.33</b>	<b>836.06</b>
<b>Total</b>	<b>8,714.40</b>	<b>6,857.39</b>	<b>5,683.56</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>
<b>Assets</b>						
<b>(4) Non-current assets</b>						
(a) Fixed Assets						
– Property, Plant & Equipment	1,845.37	1,800.93	1,236.29	969.75	873.43	810.20
– Intangible Assets	-	-	-	-	-	-
– Capital Work-In-Progress	2,013.90	1,564.57	921.50	673.10	40.61	-
(b) Goodwill on Consolidation	10.64	10.79	5.70	-	-	-
(c) Non-current investments	291.00	98.83	130.92	285.72	170.29	140.29
(d) Long-term loans and advances	103.09	64.08	51.99	20.39	15.08	15.11
(e) Other non-current assets	11.04	-	-	-	-	-
	<b>4,275.06</b>	<b>3,539.20</b>	<b>2,346.40</b>	<b>1,948.97</b>	<b>1,099.42</b>	<b>965.60</b>

<b>(5) Current Assets</b>						
(a) Current Investments	24.59	-	19.28	15.73	12.41	14.44
(b) Inventories	1,475.96	1,214.09	1,146.20	1,023.23	911.80	628.85
(c) Trade Receivables	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83
(d) Cash & Bank Balances	491.11	652.55	796.93	210.41	409.33	409.51
(e) Short Term Loans & Advances	696.21	180.78	72.39	139.68	76.70	49.35
(f) Other Current Assets	-	-	-	-	6.82	7.50
	<b>4,439.34</b>	<b>3,318.18</b>	<b>3,337.16</b>	<b>2,234.12</b>	<b>2,096.28</b>	<b>1,595.47</b>
<b>Total</b>	<b>8,714.40</b>	<b>6,857.39</b>	<b>5,683.56</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>

Note: The above consolidated statement should be read with the restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures II, III and IV respectively

**Annexure II: Restated Consolidated Statement of Profit and Loss**
**(₹ In Lakhs)**

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
- Revenue From Sale of Services	-	-	-	-	-	-
- Other Operating Income	138.39	47.31	56.83	37.52	50.71	46.72
<b>Net Revenue from operations</b>	<b>8,388.97</b>	<b>9,788.28</b>	<b>8,780.59</b>	<b>6,550.86</b>	<b>4,534.89</b>	<b>3,164.38</b>
Other income	88.74	52.59	47.76	22.37	49.01	26.04
<b>Total Revenue (A)</b>	<b>8,477.71</b>	<b>9,840.87</b>	<b>8,828.35</b>	<b>6,573.23</b>	<b>4,583.90</b>	<b>3,190.42</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35
Changes in inventories of finished goods, WIP and Stock-in-Trade	(2.14)	(190.93)	(46.34)	(59.92)	(40.73)	(56.19)
Employee benefits expense	723.00	753.40	602.21	474.91	343.42	266.56
Other expenses	893.22	1,074.92	957.90	835.98	560.94	495.39
<b>Total Expenses (B)</b>	<b>6,868.21</b>	<b>7,927.86</b>	<b>7,294.83</b>	<b>5,589.90</b>	<b>3,928.30</b>	<b>2,574.11</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1,609.50</b>	<b>1,913.01</b>	<b>1,533.52</b>	<b>983.34</b>	<b>655.60</b>	<b>616.31</b>
Finance costs	22.51	25.30	14.62	10.64	8.30	7.42
Depreciation and amortization expenses	92.64	111.46	101.09	54.79	88.73	84.65
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Exceptional items (D)	-	-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Extraordinary items (F)	-	-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<b>Provision for Tax</b>						
- Current Tax	522.51	432.98	328.58	197.01	130.14	120.79
- Tax adjustment of prior years	(0.05)	(0.17)	2.89	(2.54)	(0.10)	0.57
- Deferred Tax Liability / (Asset)	6.57	16.22	17.30	16.98	1.80	(0.03)
- MAT Credit Entitlement	(116.42)	(43.79)	(16.38)	(13.26)	(16.41)	(14.36)
<b>Tax Expense For The Year (H)</b>	<b>412.62</b>	<b>405.23</b>	<b>332.39</b>	<b>198.20</b>	<b>115.43</b>	<b>106.97</b>
<b>Restated Net Profit after tax before share in profit / (loss) of associate (I=G-H)</b>	<b>1,081.74</b>	<b>1,371.02</b>	<b>1,085.42</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>
Share in Profit / (Loss) of Associate (Net) (J1)	1.56	(1.99)	(72.74)	-	-	-
Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm) (Net) attributable to Minority Interest (J2)	-	(0.01)	(0.01)	-	-	-
<b>Restated Net Profit after Tax from Continuing Operations (K=I+J1-J2)</b>	<b>1,083.29</b>	<b>1,369.03</b>	<b>1,012.68</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>
<b>Net Profit from Discontinuing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Nine Months Ended	For the Year ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
Operations (L)						
Restated Net Profit for the year from total operations (M=K+L)	1,083.29	1,369.03	1,012.68	719.71	443.15	417.26

Note: The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, III and IV respectively

**Annexure III: Restated Consolidated Statement of Cash flows:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended 31/12/17	For the Year ended				
		31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>1. Cash Flow From Operating Activities:</b>						
<b>Net Profit before tax and extraordinary item</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<i>Adjustments for:</i>						
Depreciation and amortization expense	92.64	111.46	101.09	54.79	88.73	84.65
Finance Cost	22.51	25.30	14.62	10.64	8.30	7.42
Interest Received / Other Non-Operative Receipts	(22.87)	(29.65)	(18.01)	(10.19)	(32.75)	(15.81)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,586.63</b>	<b>1,883.36</b>	<b>1,515.52</b>	<b>973.15</b>	<b>622.85</b>	<b>600.50</b>
<i>Adjustments for:</i>						
Inventories	(261.87)	(67.88)	(122.97)	(111.43)	(282.96)	(142.89)
Trade Receivables	(480.70)	31.58	(457.28)	(165.86)	(193.39)	(120.32)
Short Term & Long Term Loans & Advances	(481.82)	(104.71)	38.81	(59.82)	(31.23)	13.24
Other Current Assets	-	-	-	6.82	0.68	(1.42)
Trade Payables	532.73	(322.28)	408.52	130.44	229.32	124.00
Other Current Liabilities	(66.32)	59.82	72.58	123.88	68.66	20.62
Short Term & Long Term Provisions	(17.12)	7.54	4.90	17.51	6.75	22.56
Other Non-Current Assets	(11.04)	-	-	-	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(786.15)</b>	<b>(395.93)</b>	<b>(55.43)</b>	<b>(58.45)</b>	<b>(202.17)</b>	<b>(84.22)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>800.48</b>	<b>1,487.44</b>	<b>1,460.08</b>	<b>914.69</b>	<b>420.68</b>	<b>516.28</b>
Taxes Paid	352.56	406.74	287.62	153.37	129.14	94.54
<b>Net Cash from Operating Activities</b>	<b>447.93</b>	<b>1,080.69</b>	<b>1,172.47</b>	<b>761.32</b>	<b>291.54</b>	<b>421.74</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(586.41)	(1,319.16)	(616.03)	(784.98)	(192.57)	(232.45)
Interest Received/ Other Non-Operative Receipts	22.87	29.65	18.01	10.19	32.75	15.81
<i>Adjustments for:</i>						
Current & Non-Current Investments	(216.76)	51.37	151.25	(118.75)	(27.97)	(138.55)
Change in Minority Interest on Consolidation	2.75	(0.01)	0.19	-	-	-
Share in Profit / (Loss) of Associate (Earlier Years)	-	-	(30.73)	-	-	-
Share in Profit / (Loss) of Partnership Firm (Minority Interest)	-	0.01	0.01	-	-	-
Share in Profit / (Loss) of Associate	1.56	(1.99)	(72.74)	-	-	-
Change in Goodwill on	0.15	(5.10)	(5.70)	-	-	-

Particulars	Nine Months Ended	For the Year ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Consolidation						
<b>Net Cash from Investing Activities</b>	<b>(775.84)</b>	<b>(1,245.23)</b>	<b>(555.75)</b>	<b>(893.54)</b>	<b>(187.79)</b>	<b>(355.19)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Short term borrowings	259.55	-	-	(61.31)	(72.45)	23.47
Proceeds from Long term borrowings	(51.43)	64.58	3.55	23.94	(4.60)	5.82
Dividend & DDT Paid	(19.12)	(19.12)	(19.12)	(18.70)	(18.59)	(14.87)
Finance Cost	(22.51)	(25.30)	(14.62)	(10.64)	(8.30)	(7.42)
<b>Net Cash from Financing Activities</b>	<b>166.48</b>	<b>20.15</b>	<b>(30.20)</b>	<b>(66.70)</b>	<b>(103.93)</b>	<b>7.00</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(161.44)</b>	<b>(144.39)</b>	<b>586.52</b>	<b>(198.91)</b>	<b>(0.18)</b>	<b>73.55</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>	<b>335.96</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>491.11</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

**Notes:**
**1. Components of Cash & Cash Equivalents:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended	For the Year ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Cash on Hand	0.69	0.52	7.57	14.71	13.76	11.11
DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
Balances with Scheduled Banks						
In Current Accounts	109.98	187.72	167.70	137.16	10.35	97.73
In Earmarked / Deposit Accounts	380.45	464.24	610.62	45.69	379.65	289.70
<b>Total Cash &amp; Cash Equivalents</b>	<b>491.11</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
- Figures in Brackets represents outflow.
- The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II and IV respectively

**Annexure I: Restated Standalone Statement of Assets and Liabilities:**
**(₹ In Lakhs)**

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Equity &amp; Liabilities</b>						
Shareholders' Funds						
(a) Share Capital	1,270.87	127.09	127.09	127.09	127.09	127.09
(b) Reserves & Surplus	5,049.73	5,130.89	3,773.90	2,701.26	2,001.63	1,577.06
	<b>6,320.60</b>	<b>5,257.98</b>	<b>3,900.98</b>	<b>2,828.35</b>	<b>2,128.71</b>	<b>1,704.15</b>
<b>Non-Current Liabilities</b>						
(a) Long-term borrowings	41.85	93.29	28.71	25.17	1.22	5.82
(b) Deferred tax liabilities (net)	66.44	59.87	43.65	26.35	9.37	7.56
(c) Long-term provisions	26.95	25.96	18.60	14.30	10.06	7.48
	<b>135.25</b>	<b>179.11</b>	<b>90.96</b>	<b>65.82</b>	<b>20.65</b>	<b>20.87</b>
<b>Current liabilities</b>						
(a) Short-term borrowings	259.55	-	-	-	61.31	133.76
(b) Trade payables						
- Dues to Micro & Small Enterprises	2.63	2.56	2.40	2.82	0.80	-
- Dues to Other Than Micro & Small Enterprises	1,467.75	956.26	1,278.70	870.10	741.69	513.16
(c) Other current liabilities	406.19	472.75	412.93	340.36	216.48	147.82
(d) Short-term provisions	213.08	105.08	106.85	75.65	26.07	41.33
	<b>2,349.20</b>	<b>1,536.65</b>	<b>1,800.88</b>	<b>1,288.93</b>	<b>1,046.33</b>	<b>836.06</b>
<b>Total</b>	<b>8,805.04</b>	<b>6,973.74</b>	<b>5,792.83</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>
<b>Assets</b>						
<b>Non-current assets</b>						
(a) Fixed Assets						
- Property, Plant & Equipment	1,654.81	1,645.66	1,075.92	969.75	873.43	810.20
- Intangible Assets	-	-	-	-	-	-
- Capital Work-In-Progress	1,863.07	1,564.57	921.50	673.10	40.61	-
(b) Non-current investments	903.57	412.05	437.05	285.72	170.29	140.29
(c) Long-term loans and advances	36.51	34.43	22.33	20.39	15.08	15.11
(d) Other non-current assets	10.00	-	-	-	-	-
	<b>4,467.95</b>	<b>3,656.70</b>	<b>2,456.81</b>	<b>1,948.97</b>	<b>1,099.42</b>	<b>965.60</b>
<b>Current Assets</b>						
(a) Current Investments	24.59	-	19.28	15.73	12.41	14.44
(b) Inventories	1,475.96	1,214.09	1,146.20	1,023.23	911.80	628.85
(c) Trade Receivables	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83
(d) Cash & Bank Balances	463.45	651.45	795.83	210.41	409.33	409.51
(e) Short Term Loans & Advances	621.62	180.74	72.35	139.68	76.70	49.35
(f) Other Current Assets	-	-	-	-	6.82	7.50
	<b>4,337.09</b>	<b>3,317.04</b>	<b>3,336.02</b>	<b>2,234.12</b>	<b>2,096.28</b>	<b>1,595.47</b>
<b>Total</b>	<b>8,805.04</b>	<b>6,973.74</b>	<b>5,792.83</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>

Note: The above standalone statement should be read with the restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures II, III and IV respectively

**Annexure II: Restated Standalone Statement of Profit and Loss:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended 31/12/17	For the Year ended				
		31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
- Revenue From Sale of Services	-	-	-	-	-	-
- Other Operating Income	138.39	47.31	56.83	37.52	50.71	46.72
<b>Net Revenue from operations</b>	<b>8,388.97</b>	<b>9,788.28</b>	<b>8,780.59</b>	<b>6,550.86</b>	<b>4,534.89</b>	<b>3,164.38</b>
Other income	88.74	52.59	47.76	22.37	49.01	26.04
<b>Total Revenue (A)</b>	<b>8,477.71</b>	<b>9,840.87</b>	<b>8,828.35</b>	<b>6,573.23</b>	<b>4,583.90</b>	<b>3,190.42</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35
Purchase of Stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	(2.14)	(190.93)	(46.34)	(59.92)	(40.73)	(56.19)
Employee benefits expense	723.00	753.40	602.21	474.91	343.42	266.56
Other expenses	893.22	1,074.92	957.32	835.98	560.94	495.39
<b>Total Expenses (B)</b>	<b>6,868.21</b>	<b>7,927.86</b>	<b>7,294.25</b>	<b>5,589.90</b>	<b>3,928.30</b>	<b>2,574.11</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1,609.50</b>	<b>1,913.01</b>	<b>1,534.10</b>	<b>983.34</b>	<b>655.60</b>	<b>616.31</b>
Finance costs	22.51	25.30	14.62	10.64	8.30	7.42
Depreciation and amortization expenses	92.64	106.36	95.34	54.79	88.73	84.65
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Exceptional items (D)	-	-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Extraordinary items (F)	-	-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<b>Provision for Tax</b>						
- Current Tax	522.51	432.98	328.58	197.01	130.14	120.79
- Tax adjustment of prior years	(0.05)	(0.17)	2.89	(2.54)	(0.10)	0.57
- Deferred Tax Liability / (Asset)	6.57	16.22	17.30	16.98	1.80	(0.03)
- MAT Credit Entitlement	(116.42)	(43.79)	(16.38)	(13.26)	(16.41)	(14.36)
<b>Tax Expense For The Year (H)</b>	<b>412.62</b>	<b>405.23</b>	<b>332.39</b>	<b>198.20</b>	<b>115.43</b>	<b>106.97</b>
<b>Restated Net Profit after tax from Continuing Operations (I=G-H)</b>	<b>1,081.74</b>	<b>1,376.12</b>	<b>1,091.75</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>
<b>Net Profit from Discontinuing Operations (J)</b>	-	-	-	-	-	-
<b>Restated Net Profit for the year from total operations (K=I+J)</b>	<b>1,081.74</b>	<b>1,376.12</b>	<b>1,091.75</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>

Note: The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, III and IV respectively

**Annexure III: Restated Standalone Statement of Cash flows:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>1. Cash Flow From Operating Activities:</b>						
<b>Net Profit before tax and extraordinary item</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<i>Adjustments for:</i>						
Depreciation and amortization expense	92.64	106.36	95.34	54.79	88.73	84.65
Finance Cost	22.51	25.30	14.62	10.64	8.30	7.42
Interest Received / Other Non-Operative Receipts	(22.87)	(29.65)	(18.01)	(10.19)	(32.75)	(15.81)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,586.63</b>	<b>1,883.36</b>	<b>1,516.10</b>	<b>973.15</b>	<b>622.85</b>	<b>600.50</b>
<i>Adjustments for:</i>						
Inventories	(261.87)	(67.88)	(122.97)	(111.43)	(282.96)	(142.89)
Trade Receivables	(480.70)	31.58	(457.28)	(165.86)	(193.39)	(120.32)
Short Term & Long Term Loans & Advances	(370.34)	(104.71)	68.51	(59.82)	(31.23)	13.24
Other Current Assets	-	-	-	6.82	0.68	(1.42)
Trade Payables	511.56	(322.28)	408.17	130.44	229.32	124.00
Other Current Liabilities	(66.56)	59.82	72.58	123.88	68.66	20.62
Short Term & Long Term Provisions	(17.12)	7.54	4.90	17.51	6.75	22.56
Other Non-Current Assets	(10.00)	-	-	-	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(695.03)</b>	<b>(395.93)</b>	<b>(26.08)</b>	<b>(58.45)</b>	<b>(202.17)</b>	<b>(84.22)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>891.61</b>	<b>1,487.44</b>	<b>1,490.01</b>	<b>914.69</b>	<b>420.68</b>	<b>516.28</b>
Taxes Paid	352.56	406.74	287.62	153.37	129.14	94.54
<b>Net Cash from Operating Activities</b>	<b>539.05</b>	<b>1,080.69</b>	<b>1,202.40</b>	<b>761.32</b>	<b>291.54</b>	<b>421.74</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(400.29)	(1,319.16)	(449.91)	(784.98)	(192.57)	(232.45)
Interest Received/ Other Non-Operative Receipts	22.87	29.65	18.01	10.19	32.75	15.81
<i>Adjustments for:</i>						
Current & Non-Current Investments	(516.10)	44.28	(154.89)	(118.75)	(27.97)	(138.55)
<b>Net Cash from Investing Activities</b>	<b>(893.52)</b>	<b>(1,245.23)</b>	<b>(586.79)</b>	<b>(893.54)</b>	<b>(187.79)</b>	<b>(355.19)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Short term borrowings	259.55	-	-	(61.31)	(72.45)	23.47
Proceeds from Long term borrowings	(51.43)	64.58	3.55	23.94	(4.60)	5.82
Dividend & DDT Paid	(19.12)	(19.12)	(19.12)	(18.70)	(18.59)	(14.87)
Finance Cost	(22.51)	(25.30)	(14.62)	(10.64)	(8.30)	(7.42)
<b>Net Cash from Financing</b>	<b>166.48</b>	<b>20.16</b>	<b>(30.19)</b>	<b>(66.70)</b>	<b>(103.93)</b>	<b>7.00</b>

Particulars	Nine Months Ended	For the Year ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Activities</b>						
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	(188.00)	(144.38)	585.42	(198.91)	(0.18)	73.55
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	651.45	795.83	210.41	409.33	409.51	335.96
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>463.45</b>	<b>651.45</b>	<b>795.83</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

**Notes:**
**1. Components of Cash & Cash Equivalents:**
**(₹ In Lakhs)**

Particulars	Nine Months ended	For the Year ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Cash on Hand	0.50	0.34	7.38	14.71	13.76	11.11
DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
Balances with Scheduled Banks						
In Current Accounts	83.01	187.31	167.29	137.16	10.35	97.73
In Earmarked / Deposit Accounts	379.95	463.74	610.12	45.69	379.65	289.70
<b>Total Cash &amp; Cash Equivalents</b>	<b>463.45</b>	<b>651.45</b>	<b>795.83</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
- Figures in Brackets represents outflow.
- The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II and IV respectively

## THE OFFER

<b>Equity Shares Offered</b>	
Offer of Equity Shares	Up to 43,40,000 Equity Shares
<b>of which</b>	
Fresh Issue <sup>(1)</sup>	Up to 36,40,000 Equity Shares
Offer for Sale <sup>(2)</sup>	Up to 7,00,000 Equity Shares
<b>of which</b>	
Market Maker Reservation Portion	[●] Equity Shares
Net Offer to Public	[●] Equity Shares
<b>of which</b>	
<b>A. QIB Portion</b> <sup>(2) (3)</sup>	<b>[●] Equity Shares</b>
of which	
Anchor Investor Portion	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
<b>B. Non-Institutional Portion</b> <sup>(3)</sup>	<b>Not less than [●] Equity Shares</b>
<b>C. Retail Portion</b> <sup>(3)</sup>	<b>Not less than [●] Equity Shares</b>
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	1,27,08,650 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Gross Proceeds	See "Objects of the Offer" on page 86 for information about the use of the Gross Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids, being received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, please see the section entitled "Offer Procedure" on page 391

- (1) *This Public Offer has been authorized by a resolution of our Board of Directors dated December 28, 2017 and by a special resolution of our Shareholders in their EGM dated January 29, 2018.*
- (2) *The Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale, pursuant to their consent letters, each dated January 29, 2018. For further details, please refer to the chapter titled "Other Regulatory and Statutory Disclosures" beginning on page 365*
- (3) *Our Company and the the Selling Shareholders may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the shares allocated to Anchor Investors One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Structure" on page 381*
- (4) *Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Selling Shareholders, the Book Running Lead Manager and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

## GENERAL INFORMATION

Our Company was incorporated as 'Finecure Pharmaceuticals Limited' under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U24230GJ2005PLC045724. For further details of incorporation and history of our Company, please refer to chapter titled "*History and Certain Corporate Matters*" beginning on page 138.

### Registered Office of the Company

**Finecure Pharmaceuticals Limited**

612 to 615 Anand Mangal-Complex III,  
Nr. Parimal Garden,  
Rajnagar Club Lane, Ellisbridge,  
Ahmedabad, Gujarat, India-380 006.

**Telephone:** +91- 79-4903 0405

**Facsimile:** +91- 79-4903 0400

**Email:** compliance @finecurepharma.com

**CIN:** U24230GJ2005PLC045724

**Website:** www.finecurepharma.com

### Corporate Office of the Company

**Finecure Pharmaceuticals Limited**

306, Third Floor,  
Third Eye One Complex,  
Opposite Havmor Restaurant,  
Panchvati, C.G. Road, Ahmedabad  
Gujarat, India 380 006

**Telephone:** +91 79-4903 0903

**Facsimile:** +91 79-4903 0915

### Designated Stock Exchange

NSE EMERGE (SME Platform of NSE), Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai 400051, Maharashtra, India.

### Registrar of Companies

Our Company is registered at the Registrar of Companies, Gujarat situated at the following address:

#### Registrar of Companies, Gujarat

ROC Bhavan, Opposite Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad, Gujarat, India-380013

**Telephone:** +91-79-27437597,

**Facsimile:** +91-79-27438371

### Board of Directors

The following table sets out the composition of our Board as on the date of filing of this Draft Red Herring Prospectus:

Name and Nature of Directorship	Age	Residential Address
Mr. Vikash Rajgarhia <i>Chairman and Managing Director</i> DIN: 00225426	43	101, Serene Apartment, behind Prahladnagar Garden, Near Shaligram-3, Vejalpur, Ahmedabad, Gujarat – 380 015

<b>Name and Nature of Directorship</b>	<b>Age</b>	<b>Residential Address</b>
Mr. Vivek Rajgarhia <i>Whole-time Director</i> DIN: 00225406	41	101-102, Serene Apartment, Prahladnagar, 100-FT Road, Satellite, Ahmedabad, Gujarat – 380 015
Mr. Vishal Rajgarhia <i>Whole-time Director</i> DIN: 00225415	36	101, Serene Apartment, behind Prahladnagar Garden, Near Shalby Hospital, Ahmadabad, Gujarat – 380 015
Mr. Anshu Krishna Agrawal <i>Non Executive Non Independent Director</i> DIN: 07931194	27	A-602, Popular Domain, Opp. Krishna Shopping Centre, Opp. Iscon Mall, Satellite, Ahmedabad- 380015, Gujarat, India
Mr. Mukesh Tarachand Agarwal <i>Independent Director</i> DIN: 00118813	33	A-901, Sheraton Luxury, VIP Road, Bhimrad, Vesu, Surat – 395007, Gujarat, India
Ms. Anjala Sultania <i>Independent Director</i> DIN: 07933625	42	House No.106, Kirana Chandra Singh Road, 36 Shibpur, Howrah, West Bengal-711102, India

For further details, please refer to the chapter titled "*Our Management*" beginning on page 150.

### **Chief Financial Officer**

Mr. Ashish S. Sanghvi is the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Ashish S. Sanghvi  
**Finecure Pharmaceuticals Limited**  
 612 to 615 Anand Mangal-Complex III,  
 Nr. Parimal Garden,  
 Rajnagar Club Lane, Ellisbridge,  
 Ahmedabad, Gujarat, India-380 006.  
**Telephone:** +91- 79-4903 0405/+91- 79-4903 0412  
**Facsimile:** +91- 79-4903 0400  
**Email id:** ashish@finecurepharma.com

### **Company Secretary and Compliance Officer**

Ms. Sonamben Zatkia  
**Finecure Pharmaceuticals Limited**  
 612 to 615 Anand Mangal-Complex III,  
 Nr. Parimal Garden,  
 Rajnagar Club Lane, Ellisbridge,  
 Ahmedabad, Gujarat, India-380 006.  
**Telephone:** +91- 79-4903 0405  
**Facsimile:** +91- 79-4903 0400  
**Email id:** compliance@finecurepharma.com /sonam@finecurepharma.com

Investors may contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances, such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account non-receipt of refund orders or non-receipt of funds by electronic mode etc.

For all Offer related queries and for redressal of complaints, investors may also write to the BRLM or the Registrar to Offer, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the

application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

**Book Running Lead Manager****Hem Securities Limited**

904, A Wing, 9<sup>th</sup> Floor  
Naman Midtown, Senapati Bapat Marg  
Elphinstone Road  
Mumbai 400 013, India.

**Telephone:** +91 22 4906 0000

**Facsimile:** +91 22 4906 0061

**Email:** ib@hemsecurities.com

**Contact Person:** Mr. Anil Bhargava

**Website:** www.hemsecurities.com

**SEBI registration number:** INM000010981

**CIN:** U67120RJ1995PLC010390

**Syndicate Member(s)**

[•]

**Legal Counsel to the Offer****Rajani Associates,**

Advocates & Solicitors  
204-207, Krishna Chambers, 59 New Marine Lines,  
Mumbai 400020, Maharashtra, India

**Tel No:** +91 22 40961000

**Fax No:** +91 22 40961010

**Website:** www.rajaniassociates.net

**Email:** sangeeta@rajaniassociates.net

**Contact Person:** Ms. Sangeeta Lakhi

**Statutory Auditors****Shah & Iyer****Chartered Accountants**

15 Silver Point, Patel Park,  
Near Stadium Circle, Navrangpura,  
Ahmedabad – 380 009

**Telephone:** +91-79 26465350

**Email:** shahandiyer@gmail.com

**Contact Person:** Mr. Sanjiv B. Shah

**Firm Registration No.:** 124443W

**Membership No.:** 052833

**Peer Review Auditors****SVK & Associates,**

Chartered Accountants  
C-701/702, Titanium Square,  
Thaltej Cross Road,  
S.G. Road, Ahmedabad,  
Gujarat, India 380 059



## Finecure Pharmaceuticals Limited

**Telephone:** +91 79 4032 0800  
**Email:** svk@casvk.com  
**Contact Person:** CA Shilpang Karia  
**Firm Registration No.:** 118564W  
**Membership No.:** 102114  
**Peer Review Certificate No.:** 009326

*\*M/s. SVK & Associates, Chartered Accountants is appointed as peer review auditors of our Company in compliance with section IX of part A of Schedule VIII of SEBI (ICDR) and holds a valid peer reviewed certificate dated September 16, 2016 issued by the Institute of Chartered Accountants of India.*

### Registrar to the Offer

#### Link Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai 400 083  
**Telephone:** +91 22 49186200  
**Facsimile:** +91 22 49186195  
**Email:** finecure.ipo@linktime.co.in  
**Investor grievance email:** finecure.ipo@linktime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**Website:** www.linkintime.co.in  
**SEBI Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

### Bankers to the Company

#### Kotak Mahindra Bank Limited

Ground Floor, Chandan House,  
Opposite Abhijeet III, Near Mithakali Six Roads,  
Navaragpura, Ahmedabad, Gujarat 380009  
**Telephone:** +91 79 6661 4800  
**Email:** chintan.k.shah@kotak.com  
**Contact Person:** Mr. Chintan K Shah  
**Website:** www.kotak.com

#### ICICI Bank Limited

JMC House, Opposite Parimal Garden,  
Ambawadi, Ahmedabad, Gujarat 380006  
**Telephone:** +91 98796 12211  
**Email:** binoy.nair@icicibank.com  
**Contact Person:** Mr. Binoy Nair  
**Website:** www.icicibank.com

#### Punjab National Bank

Ambawadi Branch,  
Harikrupa Tower, Ellisbridge  
Ahmedabad, Gujarat 380006  
**Telephone:** +91 79 26465674, 26440070  
**Facsimile:** +91 79 26445049  
**Email:** bo0971@pnb.co.in  
**Contact Person:** Mr. Manoharlal Panpaliya  
**Website:** www.pnbindia.in

**Citi Bank NA**

Commercial Banking  
First Floor, Kalapurnam Complex,  
Near Municipal Market,  
C.G. Road, Ahmedabad 380009  
**Telephone:** +91 79 4001 5821  
**Facsimile:** +91 79 4001 5822  
**Email:** arpan.goel@citi.com  
**Contact Person:** Mr. Arpan Goel

**Escrow Bank**

[•]

**Public Account Offer Bank**

[•]

**Refund Bank**

[•]

**Designated Intermediaries****Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, see the above-mentioned link.

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

**Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

**Registrar to the Offer and Share Transfer Agents**

In terms of SEBI circular no.CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidder can submit Bid cum Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchange for acting in such capacity.

The list of the RTAs eligible to accept bid cum application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

**Collecting Depository Participants**

In terms of SEBI circular no.CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidder can submit Bid cum Application Forms through CDPs who are depository participants registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of the CDPs eligible to accept bid cum application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the bid cum application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Brokers to the Offer**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

### **Statement of inter se allocation of Responsibilities for the Offer**

Hem Securities Limited is the sole Book Running Lead Manager to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **Expert**

Except the report of the Statutory Auditor, M/s. Shah & Iyer, Chartered Accountants on statement of tax benefits and report of the Peer Review Auditor M/s SVK & Associates, Chartered Accountants on Restated Standalone Financial Statements and Restated Consolidated Financial Statements as included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinion.

### **Credit Rating**

This being an initial public offering of Equity Shares, there is no requirement of credit rating for the Offer.

### **Trustees**

As the Offer is of Equity Shares, the appointment of trustees is not required.

### **Debenture Trustees**

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

### **IPO Grading**

No credit rating agency, registered with SEBI has been appointed in respect of obtaining grading for the Offer.

### **Monitoring Agency**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Offer size is below ₹10,000.00 Lakhs. Since the Offer size is only of ₹ [●] Lakhs, our Company has not appointed any monitoring agency for this Offer. Although in terms of the Listing Regulations, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Offer.

### **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, and advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●], and [●] editions of the Gujarati newspaper [●], each with wide circulation (Gujarati being the regional language of Ahmedabad where our Registered

Office is located) at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purposes of uploading on their respective websites.. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLM after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholders;
3. the BRLM;
4. the Syndicate Members;
5. the Registrar to the Offer;
6. the Escrow Collection Bank;
7. the SCSBs;
8. the CDPs;
9. the RTAs; and
10. the Registered Brokers

All Investors (except Anchor Investors) can participate in this Offer only through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on method and process of Bidding, see "*Offer Structure*" on page 381.

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

We will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, we have appointed Hem Securities Limited as the Book Running Lead Manager, respectively to manage the Offer and procure subscriptions to the Offer.

**The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.**

For further details on the method and procedure for Bidding, please see section entitled "*Offer Procedure*" on page 391.

#### **Illustration of Book Building Process and Price Discovery Process**

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an offer size of [●] equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bid period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors

<b>Bid Quantity</b>	<b>Bid Price (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Investor Selling Shareholders, in consultation with the BRLM, will finalise the Offer Price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the Offer Price and cut-off price are valid bids and are considered for

allocation in the respective categories.

### Withdrawal of the Offer

For details in relation to refund on withdrawal of the Offer, see chapter titled "*Terms of the Offer – Withdrawal of the Offer*" beginning on page 385.

### Underwriting Agreement

Our Company, the Selling Shareholders and the Book Running Lead Manager to the Offer hereby confirm that the Offer is 100% Underwritten.

The Underwriting Agreement entered into by our Company, the Selling Shareholders with the Underwriter is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Offer. The details of the Underwriting commitments are as under:

(₹ in Lakhs)

Name, Address, Telephone, Fax, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Offer size Underwritten
[●]	[●]	[●]	100%

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Offer out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

### Details of Market Making Arrangement for the Offer

Our Company has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Offer:

<b>Name</b>	[●]
<b>Address</b>	[●]
<b>Telephone</b>	[●]
<b>Facsimile</b>	[●]
<b>E-mail</b>	[●]
<b>Website</b>	[●]
<b>Contact Person</b>	[●]
<b>SEBI Registration No.</b>	[●]
<b>Market Maker Registration No. (SME Segment of NSE)</b>	[●]

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations and the circulars issued by NSE and SEBI regarding this matter.

Following is a summary of the key details pertaining to the Market Making Arrangement:

1. The Market Maker(s) (*individually or jointly*) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE EMERGE Platform and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (*individually or jointly*) in that scrip

provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE Platform (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the NSE EMERGE Platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing two (2) way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five (5) Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
11. The Market Maker(s) shall have the right to terminate said arrangement by giving a three (3) months notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five (5) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on Working Days.

12. Risk containment measures and monitoring for Market Makers:

NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

13. Punitive Action in case of default by Market Makers:

NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities /

trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

14. Price Band and Spreads: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
15. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the offer size and as follows:

<b>Offer Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Offer size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Offer size)</b>
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

16. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

## CAPITAL STRUCTURE

### Details of share capital

The share capital of our Company as on date of this DRHP and after giving effect to the Offer is set forth below:

(₹ in lakhs except share data)

Particulars	Aggregate nominal value	Aggregate value at Offer Price
<b>A AUTHORIZED SHARE CAPITAL</b>		
2,00,00,000 Equity Shares of ₹10/- each.	2,000.00	-
<b>B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
1,27,08,650 Equity Shares of ₹10/- each.	1270.87	[●]
<b>C PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
Offer up to 43,40,000 Equity Shares <sup>(1)</sup>	[●]	[●]
of which	[●]	[●]
Fresh Issue up to 36,40,000 Equity Shares	[●]	[●]
Offer for Sale up to 7,00,000 Equity Shares <sup>(2)</sup>	[●]	[●]
<b>D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b> <sup>(2)</sup>		
[●] Equity Shares of ₹ 10/- each.	[●]	[●]
<b>E SECURITIES PREMIUM ACCOUNT</b>		
Before the Offer	88.04	
After the Offer	[●]	

<sup>(1)</sup>The Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on December 28, 2017 and by our Equity Shareholders pursuant to a resolution passed at the EGM held on January 29, 2018.

<sup>(2)</sup>Offer for Sale of up to 7,00,000 Equity Shares aggregating to ₹[●] Lakhs comprising an offer of up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vikash Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vivek Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●]Lakhs by Mr. Vishal Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●]Lakhs by Ms. Ushadevi Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●]Lakhs by Ms. Pooja Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●]Lakhs by Ms. Priti Rajgarhia and up to 1,00,000 Equity Shares aggregating to ₹ [●]Lakhs by Ms. Archana Rajgarhia vide consent letter dated January 29, 2018.

### Details of changes in Authorized Share Capital of our Company since incorporation

The authorized share capital of our Company at the time of incorporation was ₹ 10,00,000/- (Rupees ten lakh) divided into 1,00,000 (one lakh) Equity Shares of ₹ 10/- (Rupees ten) each. The following table gives the changes in the Authorized Capital post Incorporation of our Company

No.	Date and mode of Shareholders approval	Change in Authorised Share Capital of the Company
1.	EGM dated June 9, 2005	Pursuant to an ordinary resolution passed by our Shareholders, the authorised share capital was increased from ₹ 10,00,000/- (Rupees ten lakhs) divided into 1,00,000 (one lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 30,00,000/- (Rupees thirty lakh) divided into 3,00,000 (three lakh) Equity Shares of ₹ 10/- (Rupees ten) each.
2.	EGM dated December 23, 2005	Pursuant to the requisite resolution passed by our Shareholders, the authorised share capital was increased from ₹ 30,00,000/- (Rupees thirty lakh) divided into 3,00,000 (three lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 50,00,000/- (Rupees fifty lakh) divided into 5,00,000 (five lakh) Equity Shares of ₹10/- (Rupees ten) each.
3.	EGM dated June 26, 2006	Pursuant to an ordinary resolution passed by our Shareholders, the authorised share capital was increased from ₹ 50,00,000/- (Rupees fifty lakh) divided into 5,00,000 (five lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 1,00,00,000/- (Rupees one crore) divided into 10,00,000 (ten lakh) Equity Shares of ₹ 10/-

No.	Date and mode of Shareholders approval	Change in Authorised Share Capital of the Company
		(Rupees ten) each.
4.	EGM dated September 1, 2006	Pursuant to an ordinary resolution passed by our Shareholders, the authorised share capital was increased from ₹1,00,00,000/- (Rupees one crore) divided into 10,00,000 (ten lakh) Equity Shares of ₹ 10/- (Rupees ten) each to ₹ 1,50,00,000/- (Rupees one crore and fifty lakhs) divided into 15,00,000 (fifteen lakh) Equity Shares of ₹ 10/- (Rupees ten) each.
5.	EGM dated October 19, 2006	Pursuant to an ordinary resolution passed by our Shareholders, the authorised share capital was increased from ₹1,50,00,000/- (Rupees one crore and fifty lakh) divided into 15,00,000 (fifteen lakh) Equity Shares of ₹ 10/- (Rupees ten only) each to ₹ 1,51,00,000/- (Rupees one crore and fifty one lakhs) divided into Equity Shares of ₹ 10/- (Rupees ten) each.
6.	EGM dated November 06, 2017	Pursuant to an ordinary resolution passed by our Shareholders, the authorised share capital was increased from ₹1,51,00,000/- (Rupees One crore and fifty one lakhs) divided into 15,10,000 (fifteen lakh and ten thousand) Equity Shares of ₹ 10/- (Rupees ten) each to ₹20,00,00,000/- (Rupees twenty crore) divided into 2,00,00,000 (two crore) Equity Shares of ₹ 10/- (Rupees ten) each.

## Notes to Capital Structure

### 1. History of Share capital of our Company:

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Offer Price per Equity Share	Nature of allotment	Nature of Consideration (Cash/ Other than Cash)	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
Upon Incorporation*	50,000	10	10	Subscription to the MoA <sup>(1)</sup>	Cash	50,000	5,00,000	Nil
June 30, 2005	1,00,000	10	10	Further Allotment of shares <sup>(2)</sup>	Cash	1,50,000	15,00,000	Nil
August 29, 2005	50,000	10	10	Further Allotment of shares <sup>(3)</sup>	Cash	2,00,000	20,00,000	Nil
February 20, 2006	69,500	10	20	Further Allotment of shares <sup>(4)</sup>	Cash	2,69,500	26,95,000	6,95,000
February 28, 2006	73,000	10	10	Further Allotment of shares <sup>(5)</sup>	Cash	3,42,500	34,25,000	6,95,000
July 6, 2006	2,59,000	10	10	Rights issue of shares in the ratio of 518: 685 <sup>(6)</sup>	Cash	6,01,500	60,15,000	6,95,000
July 10, 2006	2,10,840	10	20	Rights issue of shares in the ratio of 3514:10025 <sup>(7)</sup>	Cash	8,12,340	81,23,400	28,03,400
February 1, 2007	2,58,500	10	10	Preferential allotment <sup>(8)</sup>	Cash	10,70,840	1,07,08,400	28,03,400
March 2, 2007	1,20,025	10	40	Preferential allotment <sup>(9)</sup>	Cash	11,90,865	1,19,08,650	64,04,150
June 8 2007	25,000	10	40	Preferential allotment <sup>(10)</sup>	Cash	12,15,865	1,21,58,650	71,54,150
March 28, 2008	55,000	10	40	Preferential allotment <sup>(11)</sup>	Cash	12,70,865	1,27,08,650	88,04,150

Date of Allotment of Equity Shares	Number of Equity Shares allotted	Face Value per Equity Share (₹)	Offer Price per Equity Share	Nature of allotment	Nature of Consideration (Cash/ Other than Cash)	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
December 28, 2017	1,14,37,785	10	0	Bonus Allotment** (12)	Other than Cash	1,27,08,650	12,70,86,500	88,04,150

\*Date of incorporation of our Company is March 18, 2005.

\*\*Bonus Issues of 1,14,37,785 Equity shares in ratio of (9:1) have been made out of capitalization of Reserve & Surplus of the Company.

- (1) Subscription to the MOA for a total of 50,000 Equity Shares by Mr. Vikash Rajgarhia for 10,000 Equity Shares of ₹10 each, Mr. Vivek Rajgarhia for 5,000 Equity Shares of ₹10 each, Mr. Vishal Rajgarhia for 7,500 Equity Shares of ₹10 each, Ms. Priti Agarwal for 7,500 Equity Shares of ₹10 each, Ms. Ushadevi Rajgarhia for 5000 Equity Shares of ₹10 each, Ms. Pooja Pansari for 5,000 Equity Shares of ₹10 each and Mr. Rajendra Kumar Vishwanath Chaudhary for 10,000 Equity Shares of ₹10 each.
- (2) Further Allotment to Global Medisciences Limited of 1,00,000 Equity Shares of ₹ 10 each..
- (3) Further Allotment to Ms. Kusum Ved Agrawal of 50,000 Equity Shares of ₹ 10 each. .
- (4) Further Allotment to Mr. Rajendra Chaudhary of 25,000 Equity Shares of ₹10 each, Ms. Nidhi Agrawal of 14,500 Equity Shares of ₹10 each, Mr. Ved Prakash Rawalwasia of 20,000 Equity Shares of ₹10 each and Mr. Raj Kumar Pansari of 10,000 Equity Shares of ₹10 each.
- (5) Further Allotment to Ms. Priti Agrawal of 35,000 Equity Shares of ₹10 each, Mr. Vishal Rajgarhia of 10,000 Equity Shares of ₹10 each, Ms. Pooja Rajgarhia of 14,000 Equity Shares of ₹10 each, Mr. Vivek Rajgarhia of 4,000 Equity Shares of ₹10 each and Global Medisciences Limited of 10,000 Equity Shares of ₹10 each.
- (6) Rights Issue in the ratio of 518: 685 to Mr. Vishal Rajgarhia of 59,000 Equity Shares of ₹10 each, Ms. Priti Rajgarhia of 13,000 Equity Shares of ₹10 each, Ms. Pooja Rajgarhia of 8,000 Equity Shares of ₹10 each, Mr. Vikash Rajgarhia of 1,42,000 Equity Shares of ₹10 each, Ms. Ushadevi Rajgarhia of 7,000 Equity Shares of ₹10 each and Mr. Vivek Rajgarhia of 30,000 Equity Shares of ₹10 each.
- (7) Rights Issue in the ratio of 3514:10025 to Mr. Sumit Agarwal of 2,000 Equity Shares of ₹10 each, Ms. Nidhi Rawalwasia of 4,000 Equity Shares of ₹10 each, Mr. Ashutosh Rajgarhia of 1,750 Equity Shares of ₹10 each, Dr. Ravindra Kumar and Ms. Alka Kedia of 48,090 Equity Shares of ₹10 each, Global Medisciences Limited of 1,30,000 Equity Shares of ₹10 each and Mr. Niraj Agarwal of 25,000 Equity Shares of ₹10 each.
- (8) Further Allotment to Mr. Vikash Rajgarhia of 1,80,000 Equity Shares of ₹10 each, Ms. Archana Rajgarhia of 19,500 Equity Shares of ₹10 each, Ms. Priti Agrawal of 7,000 Equity Shares of ₹10 each, Ms. Ushadevi Rajgarhia of 10,000 Equity Shares of ₹10 each, Ms. Pooja Rajgarhia of 3,000 Equity Shares of ₹10 each, Mr. Vivek Rajgarhia of 35,000 Equity Shares of ₹10 each and Mr. Vishal Rajgarhia of 4,000 Equity Shares of ₹10 each.
- (9) Further Allotment to Mr. Vikas Agarwal of 26,250 Equity Shares of ₹10 each, Mihir Agencies Private Limited of 12,500 Equity Shares of ₹10 each, Mr. VinodKumar Sharma of 2,500 Equity Shares of ₹10 each, Mr. M. P. Maheshwari 2,500 Equity Shares of ₹10 each, Mr. V.S. Shah 2,500 Equity Shares of ₹10 each, Ms. Deepali J. Shah 2,500 Equity Shares of ₹10 each, Mr. Bhavin Gandhi of 1,000 Equity Shares of ₹10 each, Mr. Ramniwas Yadav of 875 Equity Shares of ₹10 each, Mr. Parmanand Gupta of 875 Equity Shares of ₹10 each, Mr. Ramavatar Prasad of 17,500 Equity Shares of ₹10 each, Ms. Shilpa Jagadia of 750 Equity Shares of ₹10 each, Ms. Rupa Agrawal of 16,250 Equity Shares of ₹10 each, Mr. Nikhil Pansari of 750 Equity Shares of ₹10 each, Mr. Ram Lalit Sharma of 2,500 Equity Shares of ₹10 each, Ms. Satyabhama Devi of 15,000 Equity Shares of ₹10 each, Global Medisciences Limited of 11,400 Equity Shares of ₹10 each, Ms. Nidhi Agrawal of 3,250 Equity Shares of ₹10 each, Ms. Trupati Purohit of 625 Equity Shares of ₹10 each and Mr. Sanjay Chaurasia of 500 Equity Shares of ₹10 each.
- (10) Further Allotment to Mr. Vikas Agarwal of 5,000 Equity Shares of ₹10 each, Ms. Rupa Agrawal of 5,000 Equity Shares of ₹10 each and Mr. Rajesh Agrawal of 15,000 Equity Shares of ₹10 each.

- (11) *Further Allotment to Mr. Vikash Rajgarhia of 55,000 Equity Shares of ₹ 10 each.*
- (12) *Further Allotment of bonus shares in the ratio of 9:1 to Mr. Vikash Rajgarhia of 27,58,500 Equity Shares of ₹10 each, Mr. Vivek Rajgarhia of 13,63,500 Equity Shares of ₹10 each, Mr. Vishal Rajgarhia of 22,56,300 Equity Shares of ₹10 each, Ms. Ushadevi Rajgarhia of 2,76,750 Equity Shares of ₹10 each, Global Medisciences Limited of 25,93,350 Equity Shares of ₹10 each, Ms. Pooja Rajgarhia of 4,46,400 Equity Shares of ₹10 each, Ms. Priti Rajgarhia of 9,12,600 Equity Shares of ₹10 each, Dr. Ravindra Kumar and Alka Kedia of 4,32,810 Equity Shares of ₹10 each and Ms. Archana Rajgarhia of 3,97,575 Equity Shares of ₹10 each.*

## 2. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

## 3. The details of Equity Shares allotted for consideration other than cash or out of revaluation reserves and through Bonus Issue

Our Company has not allotted any Equity Shares for consideration other than cash or out of revaluation reserves and Bonus Issue except as below.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Offer Price (₹)	Benefit Accrued to the Company	Reasons of Allotment	No of Allotees
December 28, 2017	1,14,37,785	10	Nil	Nil	Bonus Issue	9

## 4. Issue of Equity Shares in the last two preceding years

Except Bonus allotment dated December 28, 2017, our Company has not issued any Equity Shares in the last two years immediately preceding the date of this Draft Red Herring Prospectus.

## 5. Issue of Equity Shares in the last one (1) year

Except Bonus allotment dated December 28, 2017, our Company has not made any issue of specified securities at a price lower than the Offer Price during the preceding one (1) year from the date of filing of this Draft Red Herring Prospectus.

## 6. Build-up of our Promoters' Shareholding, Promoters' Contribution and Lock-in

As on the date of this Draft Red Herring Prospectus, our Promoters hold 70,87,000 Equity Shares of ₹ 10/- each, constituting 55.77% of the issued, subscribed and paid-up Equity Share capital of our Company.

### (a) Build-up of our Promoters' shareholding in our Company

The following table sets forth details of the build-up of the shareholding of our Promoters since incorporation of our Company:

Sr. No.	Date of Allotment	Nature of Allotment	Number of Equity Shares	Nature of Consideration	Face Value	Cumulative No of Shares	Offer price/transfer price per Equity Share	Percentage of the pre-offer capital %	Percentage of the post- Offer Capital
<b>Mr. Vikash Rajgarhia</b>									
1.	March 18, 2005	Subscription to the MoA	10,000	Cash	10	10,000	10.00	0.08	[●]
2.	July 6, 2006	Allotment of shares	1,42,000	Cash	10	1,52,000	10.00	1.12	[●]
3.	February 1, 2007	Allotment of Shares	1,80,000	Cash	10	3,32,000	10.00	1.42	[●]
4.	March 28, 2008	Allotment of Shares	55,000	Cash	10	3,87,000	40.00	0.43	[●]
5.	September	Transfer of shares	5,000	Cash	10	3,92,000	40.00	0.04	[●]

Sr. No.	Date of Allotment	Nature of Allotment	Number of Equity Shares	Nature of Consideration	Face Value	Cumulative No of Shares	Offer price/transfer price per Equity Share	Percentage of the pre-offer capital %	Percentage of the post- Offer Capital
	5, 2008								
6.	September 5, 2008	Transfer of shares	15,000	Cash	10	4,07,000	40.00	0.12	[●]
7.	November 5, 2008	Transfer of shares	4,000	Cash	10	4,11,000	40.00	0.03	[●]
8.	November 5, 2008	Transfer of shares	2,500	Cash	10	4,13,500	16.50	0.02	[●]
9.	November 5, 2008	Transfer of shares	2,500	Cash	10	4,16,000	16.50	0.02	[●]
10.	November 5, 2008	Transfer of shares	2,500	Cash	10	4,18,500	16.50	0.02	[●]
11.	November 5, 2008	Transfer of shares	2,500	Cash	10	4,21,000	16.50	0.02	[●]
12.	November 5, 2008	Transfer of shares	2,500	Cash	10	4,23,500	16.50	0.02	[●]
13.	September 5, 2009	Transfer of shares	35000	Cash	10	4,58,500	16.50	0.28	[●]
14.	September 5, 2016	Transfer of shares by way of Gift*	(1,52,000)	Gift	10	3,06,500	Gift	(1.20)	[●]
15.	December 28, 2017	Bonus Allotment	27,58,500	Bonus	10	30,65,000	Nil	21.71	[●]
<b>Total (A)</b>			<b>30,65,000</b>					<b>24.12</b>	<b>[●]</b>
<b>Mr. Vivek Rajgarhia</b>									
1.	March 18, 2005	Allotment as a subscriber	5,000	Cash	10	5,000	10	0.04	[●]
2.	February 28, 2006	Allotment of Shares	4,000	Cash	10	9,000	10	0.03	[●]
3.	July 6, 2006	Allotment of Shares	30,000	Cash	10	39,000	10	0.24	[●]
4.	February 1, 2007	Allotment of shares	35,000	Cash	10	74,000	10	0.28	[●]
5.	September 5, 2009	Transfer of shares	4,250	Cash	10	78,250	40	0.03	[●]
6.	March 10, 2010	Transfer of shares	12,500	Cash	10	90,750	10	0.10	[●]
7.	March 21, 2010	Transfer of shares	16,500	Cash	10	1,07,250	11	0.13	[●]
8.	January 8, 2011	Transfer of shares	20,000	Cash	10	1,27,250	20	0.16	[●]
9.	September 24, 2013	Transfer of shares by way of Gift	10,000	Gift	10	1,37,250	Nil	0.08	[●]
10.	September 24, 2013	Transfer of shares by way of Gift	750	Gift	10	1,38,000	Nil	0.01	[●]
11.	January 16, 2014	Transfer of shares	13,500	Cash	10	1,51,000	69	0.11	[●]
12.	December 28, 2017	Bonus Allotment	13,63,500	Bonus	10	15,15,000	Nil	10.73	[●]
<b>Total (B)</b>			<b>1,51,5000</b>					<b>11.92</b>	<b>[●]</b>
<b>Mr. Vishal Rajgarhia</b>									
1.	March 18, 2005	Allotment as subscriber	7,500	Cash	10	7,500	10	0.06	[●]
2.	February 28, 2006	Allotment of shares	10,000	Cash	10	17,500	10	0.08	[●]
3.	July 6, 2006	Allotment of shares	59,000	Cash	10	76,500	10	0.46	[●]
4.	February 1, 2007	Allotment of shares	4,000	Cash	10	80,500	10	0.03	[●]
5.	November 5, 2008	Transfer of shares	4,000	Cash	10	84,500	40	0.03	[●]

Sr. No.	Date of Allotment	Nature of Allotment	Number of Equity Shares	Nature of Consideration	Face Value	Cumulative No of Shares	Offer price/transfer price per Equity Share	Percentage of the pre-offer capital %	Percentage of the post- Offer Capital
6.	September 5, 2009	Transfer of shares	1,200	Cash	10	85,700	40	0.01	[●]
7.	March 25, 2010	Transfer of shares	2,000	Cash	10	87,700	22	0.02	[●]
8.	March 25, 2010	Transfer of shares	4,000	Cash	10	91,700	22	0.03	[●]
9.	January 16, 2014	Transfer of shares	7,000	Cash	10	98,700	69	0.06	[●]
10.	September 05, 2016	Transfer of shares	1,52,000	Gift	10	2,50,700	Nil	1.20	[●]
11.	December 28, 2017	Bonus Allotment	22,56,300	Bonus	10	25,07,000	Nil	17.75	[●]
<b>Total(C)</b>			<b>25,07,000</b>					<b>19.73</b>	<b>[●]</b>
<b>Total (A+B+C)</b>			<b>70,87,000</b>					<b>55.77</b>	<b>[●]</b>

**b) Promoters' Contribution and other Lock-In details:**

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post- Offer Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of the Promoter	No of shares locked in*	% of Post Offer Share Capital
Mr. Vikash Rajgarhia	[●]	[●]
Mr. Vivek Rajgarhia	[●]	[●]
Mr. Vishal Rajgarhia	[●]	[●]

*\* For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired under "Build-up of our Promoters' Shareholding, Promoters' Contribution and Lock-in" beginning on page 77.*

Our Promoters have confirmed to the Company and the BRLM that the acquisition of the Equity Shares forming part of the Promoters' contribution have been financed from personal funds and no loans or financial assistance from any banks or financial institution has been availed by for this purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as 'Promoters', as required under the SEBI Regulations. The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under the SEBI Regulations.

In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the three years preceding the date of this DRHP (a) for consideration other than cash and no revaluation of assets or capitalisation of intangible assets is involved in such transactions; or (b) resulting from bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;
- Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.
- Equity Shares acquired on account of conversion of partnership firms in the last one year preceding the date of this DRHP.

Our Company has not been formed by the conversion of a partnership firm into a company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm.

Further, our Company shall comply with the requirement of dematerializing all the Equity Shares held by the promoters and the members of the Promoter Group before the Equity Shares are listed on the Stock Exchange.

#### **Details of share capital locked-in for one year:**

Except for the Promoters' Contribution, which shall be locked-in as above, the entire pre-offer capital of our Company shall be locked in for a period of one year from the date of Allotment.

#### **Other requirements in respect of lock-in:**

In terms of the SEBI Regulations, Equity Shares held by the Promoters and subjected to lock-in requirements, may be pledged with any scheduled commercial bank or public financial institution as collateral security if the loan has been granted by such bank or institution if the Equity Shares are locked in for one year in terms of the SEBI Regulations and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by the Promoters and subject to lock-in may be transferred to and among the Promoters, members of the Promoter Group or to any new promoter or person in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI Regulations has expired.

Further, in terms of the SEBI Regulations, the Equity Shares held by persons other than the Promoters prior to the offer and subject to lock-in, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI Takeover Regulations, as applicable.

The Offered Shares which will be transferred by the Selling Shareholders in the Offer for Sale shall not be subject to lock-in. However, any unsubscribed portion of Equity Shares offered by the Selling Shareholders in the Offer for Sale would also be locked-in as required under the SEBI Regulations.

#### **(i) Lock-in of Equity Shares allotted to Anchor Investors:**

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Category shall be locked-in for a period of 30 days from the date of Allotment.

*We further confirm that our Promoter's Contribution does not include any contribution from Alternative Investment Fund.*

#### **7. The average cost of acquisition of or subscription of shares by our Promoters are set forth in the table below:**

Name of the Promoter	No. of Shares held	Average cost of Acquisition* (₹ Per share)
Mr. Vikash Rajgarhia	30,65,000	2.37
Mr. Vivek Rajgarhia	15,15,000	1.68
Mr. Vishal Rajgarhia	25,07,000	0.65

*\*As certified by our Statutory Auditor vide their certificate dated February 15, 2018*

#### **8. Pre- Offer and Post Offer Shareholding of our Promoter and Promoters' Group**

Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed offer:

Category of Promoters	Pre- offer		Post- offer	
	No. of Shares	%	No. of Shares	%
<b>1. Promoters</b>				
Mr. Vikash Rajgarhia	30,65,000	24.12	[●]	[●]

Category of Promoters	Pre- offer		Post- offer	
	No. of Shares	%	No. of Shares	%
Mr. Vivek Rajgarhia	15,15,000	11.92	[●]	[●]
Mr. Vishal Rajgarhia	25,07,000	19.73	[●]	[●]
<b>Total (A)</b>	<b>70,87,000</b>	<b>55.77</b>		
<b>2. Promoter Group</b>				
Ms. Ushadevi Rajgarhia	3,07,500	2.42	[●]	[●]
Global Medisciences Limited	28,81,500	22.67	[●]	[●]
Ms. Pooja Rajgarhia	4,96,000	3.90	[●]	[●]
Ms. Priti Rajgarhia	10,14,000	7.98	[●]	[●]
Ms. Archana Rajgarhia	4,41,750	3.48	[●]	[●]
<b>Total (B)</b>	<b>51,40,750</b>	<b>40.45</b>	[●]	[●]
<b>Total (A+B)</b>	<b>1,22,27,750</b>	<b>96.22</b>	[●]	[●]

## 9. Shareholding Pattern of our company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Nos. of shareh olders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)  (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerializ ed form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total Shar es held (b)	
								Class Equity Shares	Clas s eg:y	Total								
(A)	Promoters & Promoter Group	8	1,22,27,750	-	-	1,22,27,750	96.22	1,22,27,750	Nil	1,22,27,750	Nil	Nil	96.22	-	-	-	-	[•]
(B)	Public	1	4,80,900	-	-	4,80,900	3.78	4,80,900	Nil	4,80,900	Nil	Nil	3.78	-	-	-	-	[•]
(C)	Non- Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9	1,27,08,650	-	-	1,27,08,650	100	1,27,08,650	Nil	1,27,08,650	Nil	Nil	100.00	-	-	-	-	[•]

### Notes:

1. Our Company has executed Tripartite Agreements with CDSL and NSDL;
2. In terms of SEBI Circulars bearing nos. Cir/ISD/3/2011 and SEBI/Cir/ISD/05/2011 dated June 17, 2011 and September 30, 2011 respectively, our Company shall ensure that the Equity Shares held by our Promoters and Promoter Group will be in dematerialised prior to the filing of RHP with the RoC;
3. Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares

10. The BRLM and its respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus.
11. The BRLM and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.
12. Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus :

Particulars	Pre-Offer		Post- Offer	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Vikash Rajgarhia	30,65,000	24.12	[●]	[●]
Mr. Vivek Rajgarhia	15,15,000	11.92	[●]	[●]
Mr. Vishal Rajgarhia	25,07,000	19.73	[●]	[●]
<b>Total</b>	<b>70,87,000</b>	<b>55.77</b>	[●]	[●]

13. Except the directors, none of the Key Managerial Personnels hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
14. As on date of this Draft Red Herring Prospectus, our Company has nine (9) shareholders
15. **The top ten shareholders of our Company and their Shareholding is as set forth below**
  - a) The top ten Shareholders of our Company as on the date and ten days prior of this Draft Red Herring Prospectus are:

No.	Name of the Shareholders	No. of Shares	% of Shares to Pre-offer Share capital
1.	Mr.Vikash Rajgarhia	30,65,000	24.12
2.	Global Medisciences Limited	28,81,500	22.67
3.	Mr.Vishal Rajgarhia	25,07,000	19.73
4.	Mr.Vivek Rajgarhia	15,15,000	11.92
5.	Ms.Priti Rajgarhia	10,14,000	7.98
6.	Ms.Pooja Rajgarhia	4,96,000	3.90
7.	Dr. Ravindra Kumar and Alka Kedia	4,80,900	3.78
8.	Ms.Archana Rajgarhia	4,41,750	3.48
9.	Ms.Ushadevi Rajgarhia	3,07,500	2.42
	<b>Total</b>	<b>12,708,650</b>	<b>100.00</b>

- b) The top ten Shareholders of our Company two years prior to date of this Draft Red Herring Prospectus are:

No.	Name of the Shareholders	No. of Shares	% of Shares to Share capital
1.	Mr.Vikash Rajgarhia	4,58,500	36.08
2.	Global Medisciences Limited	2,88,150	22.67
3.	Mr.Vivek Rajgarhia	1,51,500	11.92
4.	Ms.Priti Rajgarhia	1,01,400	7.98
5.	Mr.Vishal Rajgarhia	98,700	7.77
6.	Ms.Pooja Rajgarhia	49,600	3.90
7.	Dr. Ravindra Kumar and Alka Kedia	48,090	3.78
8.	Ms.Archana Rajgarhia	44,175	3.48
9.	Ms.Ushadevi Rajgarhia	30,750	2.42
	<b>Total</b>	<b>12,70,865</b>	<b>100.00</b>

16. Dr. Ravindra Kumar and Alka Kedia (Joint Holders) who are the public shareholder of the company are holding more than 1% of the pre-offer share capital of our Company.

17. Except Bonus allotment dated December 28, 2017, none of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six (6) months immediately preceding the date of this Draft Red Herring Prospectus.
18. Our Company, our Promoters, members of our Promoter Group, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.
19. This Offer is being made through Book Building method.
20. The BRLM, our Company, our Directors, our Promoters, our Promoter Group and/or any person connected with the Offer shall not offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any bidder, for making a bid.
21. None of the Equity Shares being offered through the Offer are pledged or otherwise encumbered.
22. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.
23. Except as disclosed in this section, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation as per the provisions of SEBI ICDR Regulations
24. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230-234 of the Companies Act, 2013 or under Section 391-394 of the Companies Act, 1956.
25. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus until the Equity Shares to be issued pursuant to the Offer have been listed.
26. Our Company presently does not intend or propose to alter the capital structure for a period of six (6) months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (*including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares*), whether by way of bonus or on rights basis or further public issue of Equity Shares or qualified institutions placement. In the event our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.
27. Except for the sale of Equity Shares in the Offer, our Promoters and the members of our Promoter Group will not participate in the Offer. The Selling Shareholders are collectively offering an aggregate of up to 7,00,000 Equity Shares for sale in the Offer. Other than such offer, the Selling Shareholders will not submit Bids, or otherwise participate in this Offer.
28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
29. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 43(2) of SEBI (ICDR) Regulations, as amended from time to time.
30. An over-subscription to the extent of 10% of the Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Offer, as a result of which, the post- offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters are subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

31. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
32. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, the unsubscribed portion in any reserved category (if any) except in QIB Portion may be added to any other reserved category. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
33. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Selling Shareholders, our Associate Company, the Directors, the Promoters or the members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
34. There are no safety net arrangements for this Offer.
35. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.
36. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the RHP filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchange within twenty four (24) hours of the transactions.
37. Our Company has not issued any Equity Shares out of revaluation reserves.
38. We have not granted any options or issued any shares under any employee stock option or employees stock purchase scheme and we do not intend to allot any Equity Shares to our Employees under ESOS/ESOP scheme from Proposed Offer.

## SECTION IV: PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 36,40,000 Equity Shares, aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 7,00,000 Equity Shares, aggregating to ₹ [●] Lakhs by the Selling Shareholders

#### *The Offer for Sale*

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale of their respective portions of the Offered Shares, respectively net of their share of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale.

#### *The Fresh Issue*

The Net Offer Proceeds are proposed to be utilized by our Company for the following objects:

- a) Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat
- b) Funding the working capital requirement;
- c) General corporate purposes.

(together, the “**Objects of the Fresh Issue**”)

Further, our company expects that the listing of the Equity Shares will enhance our visibility and our brand image. The listing of our share will also provide a public market for the Equity Shares in India

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

#### **Requirements of funds:**

The following table summarizes the requirement of funds:

(₹ In Lakhs)

Particulars	Amount
Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat	2570.17
Funding working capital requirements of our Company	[●]
General corporate purposes	[●]
Offer Expenses	[●]
<b>Gross Offer Proceeds</b>	<b>[●]</b>
<b>Less: Offer Expenses</b>	<b>[●]</b>
<b>Net Offer Proceeds (“Net Proceeds”)</b>	<b>[●]</b>

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

#### **Utilization of Net Proceeds:**

The Net Proceeds are currently expected to be utilized in accordance with the schedule as set forth below:

(₹ in Lakhs)

Particulars	Amount
Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat	2000.00
Funding working capital requirements of our Company	[●]
General corporate purposes	[●]
<b>Total</b>	<b>[●]</b>

**Funds Deployed:**

Our Statutory Auditor vide their certificate dated March 28, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Offer:

(₹ in Lakhs)

<b>Particulars</b>	<b>Amount</b>
Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat	2.30
Funding working capital requirements of our Company	[•]
General corporate purposes	[•]
Offer Expenses	12.53
<b>Total</b>	<b>14.83</b>

**Source of financing for the Funds Deployed:**

(₹ in Lakhs)

<b>Particulars</b>	<b>Amount</b>
Internal Accruals	14.83
<b>Total</b>	<b>14.83</b>

**Schedule of implementation and deployment of Funds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(₹ in Lakhs)

<b>Particulars</b>	<b>Amount to be funded from the Net Proceeds</b>	<b>Estimated Utilization of Net Proceeds (In FY 2019)</b>	<b>Estimated Utilization of Net Proceeds (In FY 2020)</b>
Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat	2000.00	[•]	[•]
Funding working capital requirements of our Company	[•]	[•]	[•]
General corporate purposes	[•]	[•]	[•]

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

**Means of Finance**

We intend to completely finance the Objects from the Net Proceeds, share capital, internal accruals and financing from banks and financial institutions including non-banking financial institutions. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2)(g) of the ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer.

Our fund requirements and deployment of the Net Proceeds are based on internal management estimates as per our business plan approved by our Board based on current market conditions, and have not been appraised by any bank, financial institution or other independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently our capital and operational expenditure requirements may also change. Our Company's historical capital and operational expenditure may not be reflective of our future expenditure plans. We may have to revise our estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

In case of any increase in the actual utilization of funds earmarked for the Objects of the Fresh Issue, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the Objects of the Fresh Issue is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing Objects of the Fresh Issue, if required and general corporate purposes. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the next fiscal. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

## Details of the Objects

### 1. Purchasing capital equipment for our new manufacturing facility being set up at Sanand, Gujarat

With a view to expand our production capacity, we are in the process of setting up a new manufacturing facility at Sanand, Gujarat. This new manufacturing facility is proposed to focus on manufacturing of Clavulanic based formulations and our other existing range of products.

We have taken land admeasuring to 9893.60 Sq mtrs on leasehold basis from GIDC for a lease period of 99 years against as consideration of ₹391.32 Lakhs for the said manufacturing facility.

Our company proposes to expend ₹2570.17 Lakhs towards purchase of capital equipment for the said manufacturing facility and intends to utilize ₹2000.00 Lakhs from the net proceeds. An indicative list of such equipment that we intend to purchase, along with details of the quotations/PO/Performa invoice we have received in this respect is set forth below:

(₹ In Lakhs)			
Date of Quotation/PO	Description	Name of Vendor	Amount
March 1, 2018	Capsule Filling Machine	ACG Pam Pharma Technologies Private Limited	87.00
February 28, 2018	Grills, Diffusers & Damper(HVAC)	Airmax Gujarat Private Limited	368.02
February 13, 2018	CGMP Vacuum Tray Dryer	Shiv Shakti Process Equipment Private Limited	37.02
February 15, 2018	Clean Room Partition	GMP Technical Solutions Private Limited	248.76
March 3, 2018	Clean Room Lights	Optic Lightings Private Limited	13.37
March 1, 2018	Engineered Dehumidifier	Bry Air (Asia) Private Limited	539.00
February 06, 2018	Granulation & Material Handling Equipment	R.P.Products Pharma Equipments Private Limited	174.27
December 14, 2017	Water Storage & Distribution Plant	Sterinox Systems	15.41
March 5, 2018	1000 KVA Silent DG Sets without panel	Sudhir Power Limited	76.25
November 30, 2017	Effluent treatment plant	Microvision Enviro Projects Private Limited	7.81
March 5, 2018	Lab Equipment	Shimadzu (Asia Pacific) PTE Limited	73.84*
March 6, 2018	Batch Coding Machine	Domino Printech India LLP	2.09
February 13, 2018	Clean Room Equipment	Airtech	36.39
March 3, 2018	Transformer, Electrical Panels With Wiring, Light And Other Fittings	J P Associates	174.46
November 27 2017	“Aquathem” Hot water Generator System	Thermax Limited	15.34
January 12, 2018	Water Cooled Screw Chiller	Ingersoll Rand Climate Solutions Pvt Ltd	71.98*
March 4, 2018	LAN Cables, Camera, Networking Accessories	Microlink Solution	35.64
March 3, 2018	Lab Equipment	Toshvin Analytical Pvt. Ltd.	73.05*
March 6, 2018	Air Compressor	Standard Engineering Co.	24.81
October 16, 2017	High Speed Dry Syrup Packing & Filling Line	J.P. Machine Tools	165.15

March 19, 2018	Tablet Auto Coater	Glatt Systems Pvt. Limited	80.00
December 1, 2017	Blister Packing Machine	Elmach Packages (I) Pvt. Ltd	84.85
December 1, 2017	Auto Cartening Machine	Elmach Packages (I) Pvt. Ltd	38.65
January 30, 2018	AHU	Citizen Industries Limited	64.01
September 8, 2017	ECO VII 51 Station "D" Tooling Compression Machine with AFR System	Parle Elizabeth Tools Private Limited	63.00
<b>Total</b>			<b>2570.17</b>

Source: Management representation letter dated April 03, 2018 and third party quotations/PO/Performa invoices provided

\*Total amount of the quotation mentioned above has been converted from US \$ to INR as per the conversion rate as on the respective quotation date.

The exchange rates of the respective foreign currencies are as provided below:

<b>Date</b>	<b>Exchange Rate (INR/US \$)</b>
March 5, 2018	65.0530
March 3, 2018	65.2261*
January 12, 2018	63.5263

Source: RBI Reference Rate

\* Exchange rate as on March 1, 2018, as RBI Reference Rate is not available for March 3, 2018, being a public holiday.

No second-hand machinery or equipment is proposed to be purchased out of the aforesaid objects.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the equipment at the same costs. The quantity of the equipment to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the capital equipment according to the business requirements, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Company have no interest in the proposed procurements, as stated above.

## **2. Funding working capital requirements**

Our business is working capital intensive. The Company will meet the requirement to the extent of ₹ [●] Lakhs from the Net Proceeds of the Offer and balance portion will be met through internal accruals.



**Finecure Pharmaceuticals Limited**  
(In ₹ Lakhs)

Sr. No	Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>I</b>	<b>Current Assets</b>			
	Current Investment	24.59	-	19.28
	Inventories			
	a) Raw Material (including packing material)	935.90	676.17	799.22
	b) Semi-Finished Stock	80.50	-	-
	c) Finished Goods	459.55	537.91	346.99
	Trade Receivables	1751.47	1270.77	1302.35
	Cash & Cash Equivalents	463.45	651.45	795.83
	Short Term Loans & Advances	621.62	180.74	72.35
	<b>Total Current Assets (A)</b>	<b>4337.09</b>	<b>3317.04</b>	<b>3336.02</b>
<b>II</b>	<b>Current Liabilities</b>			
	Trade Payables	1,470.38	958.82	1,281.10
	Other Current Liabilities			
	a) Current maturities of long-term borrowings	67.29	64.58	26.23
	b) Duties & Taxes / Statutory Liabilities	10.46	18.98	17.23
	c) Advance from customers	159.41	148.92	182.15
	d) Security Deposits	120.35	195.22	143.54
	e) Other Payables	48.67	45.05	43.78
	Short Term Provisions	213.08	105.08	106.85
	<b>Total Current Liabilities (B)</b>	<b>2,089.65</b>	<b>1,536.65</b>	<b>1,800.88</b>
	<b>Net Working Capital requirements (A)-(B)</b>	<b>2,247.45</b>	<b>1,780.39</b>	<b>1,535.14</b>
	<i>Funding Pattern</i>			
	– Bank Borrowing (Including Cash credit facility)	259.55	-	-
	– Internal Accruals	1987.90	1,780.39	1,535.14

(In ₹ Lakhs)

Sr. No	Particulars	Estimated as at March 31, 2019	Provisional as at March 31, 2018
<b>I</b>	<b>Current Assets</b>		
	Current Investment		
	Inventories	[•]	[•]
	a) Raw Material	[•]	[•]
	b) Finished Stock	[•]	[•]
	c) Packing and Other Materials	[•]	[•]
	Trade Receivables	[•]	[•]
	Cash & Cash Equivalents	[•]	[•]
	Short Term Loans & Advances	[•]	[•]
	<b>Total Current Assets (A)</b>	<b>[•]</b>	<b>[•]</b>
<b>II</b>	<b>Current Liabilities</b>		
	Short Term Borrowings	[•]	[•]
	Trade Payables	[•]	[•]
	Other Current Liabilities		

a)	Current maturities of long-term borrowings		
b)	Duties & Taxes / Statutory Liabilities		
c)	Advance from customers		
d)	Security Deposits		
e)	Other Payables		
	Short Term Provisions	[●]	[●]
	<b>Total Current Liabilities (B)</b>	[●]	[●]
	<b>Net Working Capital requirements (A)-(B)</b>	[●]	[●]
	<i>Funding Pattern</i>	[●]	[●]
–	Bank Borrowing (Including Cash credit facility)	[●]	[●]
–	Internal Accrual	[●]	[●]
–	Net Proceeds from the Fresh Issue	[●]	-

**Justification:**

Particulars	Details
Trade Receivables	Trade receivables are based on the average standard payment terms across our customers. Our general credit terms vary across geographies and type of customer and our assumptions are based on past trends. Our trade receivables turnover ratio based on the Restated Standalone Financial Statements (calculated as closing trade receivables divided by revenues from operations over the period/fiscal) was 54 days, 47 days and 57 days for Fiscal 2016, 2017 and for nine months period ended on December 31, 2017 respectively. Our Company has assumed trade receivables turnover ratio as [●] days and [●] days for Fiscal 2018 and Fiscal 2019 respectively.
Trade Payables	This is based on the average standard payment terms of our vendors. Our trade payables predominantly comprise of payables towards purchase of our products and services. The days of outstanding for trade payables are based on the Restated Standalone Financial Statements (calculated as trade payables divided by Purchase over the period/fiscal) was 80 days, 57 days and 72 days for Fiscal 2016, 2017 and for nine months period ended on December 31, 2017 respectively. Our Company has assumed trade payables as [●] days and [●] days for Fiscal 2018 and Fiscal 2019 respectively.
Inventories	Inventories are expected to grow along with the growth in our business, on an absolute value basis. The days of Inventory are based on the Restated Standalone Financial Statements (calculated as closing Inventory divided by revenues from operations over the period/fiscal) was 48 days, 45 days and 48 days for Fiscal 2016, 2017 and for nine months period ended on December 31, 2017 respectively. Our Company has assumed inventory turnover as [●] days and [●] days for Fiscal 2018 and Fiscal 2019 respectively.

Our Company proposes to utilize ₹ [●] Lakhs of the Net Proceeds in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing Equity, Bank loans and internal accruals.

**3. General Corporate Purpose:**

The Net Proceeds will be first utilized towards the Object of the Fresh Issue mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the net proceeds, in compliance with the SEBI ICDR Regulations.

Our Board will have flexibility in utilizing the balance Net Proceeds towards general corporate purposes, including but not limited to the following as may be approved by our Management in accordance with applicable laws:

- (i) strategic initiatives;
- (ii) funding growth opportunities;
- (iii) repayment/ prepayment of short-term/long term debt;
- (iv) strengthening marketing capabilities and brand building exercises;
- (v) meeting ongoing general corporate exigencies; and
- (vi) any other purpose as may be approved by the Board.

The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the permissible amount actually available under this head and the business requirements of our Company, from time to time.

#### Offer Related Expenses:

The total expenses of the Offer are estimated to be approximately ₹ [●] Lakhs. The Offer related expenses include fees payable to the BRLM and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in proportion to the number of Equity Shares offered and/or transferred by each of the Company and the Selling Shareholders in the Offer, respectively. Further, the Selling Shareholders shall reimburse our Company for all expenses, other than the listing fee (which shall be solely borne by our Company), incurred by our Company in relation to the Offer for Sale on each of their behalf in proportion to their respective Offered Shares, and in accordance with applicable law.

The estimated Offer expenses are as follows:

Activity	Estimated Amount ₹ [●] Lakhs*	As a % of Total Estimated Expenses*	As a % of Offer Size*
Fees payable to the BRLM including underwriting and selling commissions, brokerages, Printing and stationery expenses advertising and marketing fees, payment to other intermediaries such as legal counsel and Miscellaneous.	[●]	[●]	[●]
Selling commission and processing fees for SCSBs**	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers**			
Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs***	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others (Listing Fee, Banker to the Offer, Auditor's Fee etc.)	[●]	[●]	[●]
Total Estimated Offer Expenses	[●]	[●]	[●]

\* To be finalized upon determination of the Offer Price.

\*\*Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for Retail Individual Investors <sup>#</sup>	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors <sup>#</sup>	[●]% of the Amount Allotted (plus applicable taxes)

<sup>#</sup>Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable taxes) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

\*\*\*Registered Brokers, will be entitled to a commission of ₹ [●] (plus applicable taxes) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing

fees payable to the relevant Registered Broker.

SCSBs would be entitled to a processing fee of ₹ [●] (plus applicable taxes) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

### **Interim Use of Net Proceeds**

The Net Proceeds of the Offer pending utilisation for the purposes stated in this section shall be temporarily invested in only in interest bearing scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other overdraft arrangement / cash credit facility with our lenders, short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance the objects of the offer will be repaid from the Net Proceeds.

### **Monitoring of Utilization of Funds**

As the size of the offer will not exceed ₹ 10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full.

### **Variation in Objects of the Fresh Issue**

In accordance with Section 13(8) and 27 of the Companies Act, 2013 and the applicable rules, our Company shall not vary any of the Objects without the Company being authorised to do so by the shareholders by way of a special resolution undertaken by postal ballot. In addition, the notice issued to the shareholders in relation to the passing of such special resolution (the “**Postal Ballot Notice**”) shall specify the prescribed details and be published in accordance with the Companies Act, 2013 and applicable rules. The Postal Ballot Notice issued to the shareholders shall simultaneously be published in the newspapers, one in English and one Gujarati newspaper (Gujarati being the vernacular language of Ahmedabad where the registered office of our Company is situated). Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit offer to such dissenting shareholders in accordance with the articles of association, and in accordance with, and subject to, Chapter VI-A of the ICDR Regulations.

### **Appraising Agency**

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilised have been appraised by any agency.

### **Other Confirmations**

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies. Accordingly, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Company.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the 'Book Building Process' and on the basis of the following qualitative and quantitative facts. The face value of the Equity Shares of our Company is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Bidders should also refer to the sections titled "*Our Business*", "*Risk Factors*" and "*Financial Information*" on pages 110, 19 and 173, respectively, to have an informed view before making an investment decision

### Qualitative Factors

- Quality assurance and standards
- Experienced management team
- Diversified business operations and revenue base
- Strong sales, marketing and distribution capabilities
- Enhanced focus on process development
- Scalable Business Model
- Global Presence

For further details, please refer the chapter titled "*Our Business*" and "*Risk Factors*" respectively on pages 110 and 19.

### Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Summary Statements and Restated Standalone Financial Statements of our Company.

For details, please refer the chapter titled "*Financial Statements*" on page 173.

#### 1. Basic & Diluted Earnings per share (EPS), as adjusted for changes in capital:

As per our Restated Standalone Financial Information:

Period ended	Basic & Diluted (₹)	Weights
March 31, 2015	5.66	1
March 31, 2016	8.59	2
March 31, 2017	10.83	3
<b>Weighted Average</b>	9.22	
December 31, 2017*	8.51	

\*Not Annualized

As per Restated Consolidated Financial Information:

Period ended	Basic & Diluted (₹)	Weights
March 31, 2015	5.66	1
March 31, 2016	7.97	2
March 31, 2017	10.77	3
<b>Weighted Average</b>	8.99	
December 31, 2017*	8.52	

\*Not Annualized

Notes:

- (i) *Earnings per share calculations are done in accordance with Accounting Standard 20 Earnings Per Share ('AS 20'), notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.*
- (ii) *The face value of each Equity Share is ₹ 10/- each.*
- (iii) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.*
- (iv) *Basic Earnings per Share (in Rupees) = Net profit as restated, attributable to equity shareholders/weighted*

- average number of equity shares
- (v) *Diluted Earnings per share (in Rupees) = Net profit as restated, attributable to equity shareholders/weighted average number of dilutive equity shares.*
- (vi) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Summary Statements as appearing in Annexure IV included in "Financial Statement" on page 173.*

## 2. Price Earning (P/E) Ratio in relation to the Offer Price of ₹ [●]

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the financial year ended March 31, 2017 at the Floor Price:	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2017 at the Floor Price:	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2017 at the Cap Price:	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2017 at the Cap Price:	[●]	[●]

Industry P/E ratio\*

Sr. No	Particulars	P/E
1.	Highest	147.89
2.	Lowest	0
3.	Industry Average	33.17

\*Source: Ace Equity data dated April 3, 2018

## 3. Return on Net worth (RoNW)

As per our Restated Standalone Financial Information:

Period ended	RONW (%)	Weights
Year ended March 31, 2015	25.45%	1
Year ended March 31, 2016	27.99%	2
Year ended March 31, 2017	26.17%	3
<b>Weighted Average</b>	<b>26.66</b>	
December 31, 2017*	17.14	

\*Not Annualized

As per Restated Consolidated Financial Information of the Company:

Period ended	RONW (%)	Weights
Year ended March 31, 2015	25.45%	1
Year ended March 31, 2016	26.71%	2
Year ended March 31, 2017	26.63%	3
<b>Weighted Average</b>	<b>26.46</b>	
December 31, 2017*	17.49%	

Note:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights
- RoNW (%) = Net profit/(loss) after tax , as restated divided by Net worth at the end of the year/ period

**4. Minimum Return on Net Worth after Offer to maintain Pre-Offer EPS**
**a) For Basic EPS**

As at	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

**b) For Diluted EPS**

As at	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

**5. Net Asset Value ("NAV") per Equity Share of face value of ₹ 10 each**

As at	Standalone	Consolidated
March 31, 2017	41.37	40.45
December 31, 2017*	49.66	48.74
NAV after Offer		
At the Floor Price	[●]	[●]
At the Floor Price	[●]	[●]
Offer Price		[●]

\*Not Annualized

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- The NAV shown above are after taking into account the effect of issue of bonus shares after March 31, 2017.
- Net asset value per Equity Share = Net worth, as restated at the end of the year / number of Equity Shares outstanding at the end of year.

**6. Comparison of Accounting Ratios with Industry Peers\***

(₹ in Lakhs)

Name of Company	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹)
Finecure Pharmaceuticals Limited **	10.00	10.77	[●]	22.1	48.74
Alkem Laboratories Limited	2.00	74.62	25.59	22.18	373.67
Eris Lifesciences Limited	1.00	17.61	45.61	57.62	39.27
Zota Health Care Ltd.	10.00	3.86	56.57	25.07	15.85

\*Source: Ace Equity data dated April 03, 2018

\*\*Based on Restated Consolidated Financial Statements as on and for period ended March 31, 2017.

The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholders, in consultation with the Book Running Lead Manager on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company and Book Running Lead Manager believe that the offer price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "Our Business", "Risk Factors" and "Financial Information" on pages 110, 19 and 173, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "Risk Factors" or any other factors that may arise in the future and you may lose all or part of your investments.



**Finecure Pharmaceuticals Limited**

## **STATEMENT OF TAX BENEFITS**

The Board of Directors

**Finecure Pharmaceuticals Limited**

612 to 615 Anand Mangal-Complex III

Nr. Parimal Garden,

Rajnagar Club Lane, Ellisbridge,

Ahmedabad, Gujarat, India, 380 006.

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to Finecure Pharmaceuticals Limited and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by Finecure Pharmaceuticals Limited ('the Company') provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 (the "Act") as amended time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus or any other offer related material in connection with the proposed offer of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Shah & Iyer**

Chartered Accountants

Firm Registration No.: 124443W

Sanjiv B. Shah

Partner

Membership No.: 052833

Place: -Ahmedabad

Date: February 20, 2018

Encl: Annexure

**Annexure to the statement of possible Tax Benefits**

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

1. Special Tax Benefits available to the Company under the Act:

There are no special Tax benefits available to the Company under the Act.

2. Special Tax Benefits available to the shareholders of the Company under the Act:

There are no special Tax Benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2017-18. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the nonresident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**SECTION IV: ABOUT THE COMPANY AND THE INDUSTRY****INDUSTRY OVERVIEW****Industry Outlook:**

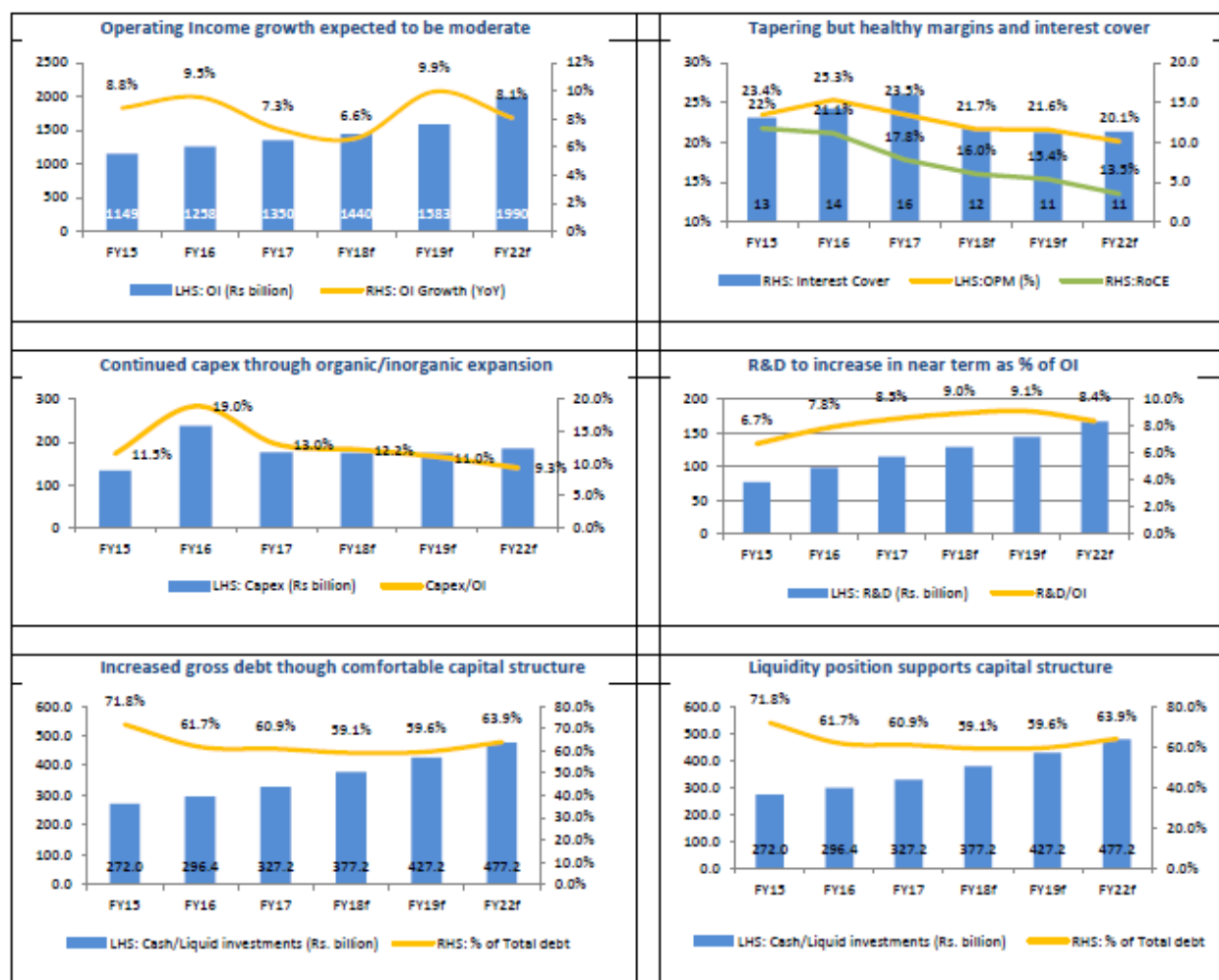
The Indian pharmaceutical companies have registered strong growth over last decade driven mainly by US market with CAGR of revenue growth from US during FY11-17 period for a sample set of 21 listed public companies at 19.3% on back of patent cliff with large brands going off patent and sizeable organic and inorganic expansion. However growth from US has come down to 14.4% in FY2016 and 4.0% in FY2017 with Q4FY2017 and Q1FY2018 registering decline in sales. Going forward the growth momentum may face some headwinds given the relatively moderate proportion of large size drugs going off patent, increased competition, generic adoption reaching saturation levels in the US market along base effect catching up for Indian exporters. Further increased regulatory scrutiny as reflected in increased issuance of warning letters/import alerts and consolidation of supply chain in US market resulting in pricing pressures has impacted competitiveness of Indian pharmaceutical companies. Still given growing R&D thrust of Indian pharmaceutical companies with product pipeline comprising of specialty drugs, niche molecules and complex therapies, the growth outlook for Indian pharmaceutical companies remain comfortable. The domestic pharmaceutical industry has gained adequate scale and generic drug development capabilities over last decade of growth which will keep them in good stead to capture new opportunities in the US market.

The demand prospects from domestic market are likely to remain healthy given increasing spend on healthcare along with improving access though regulatory interventions, especially relating to price control and mandatory genericisation remain a concern. While growth prospects remain healthy in most of the emerging markets as well, the operating environment has been affected by confluence of factors including frequently evolving regulatory landscape, increasing competition and weakening macro environment across some of the oil dependent economies. Nevertheless, the longer-term outlook for Indian companies is favorable due to their growing product portfolio, inherent advantages of operating in branded generic markets and relatively low-base.

The profitability for the industry, though expected to remain healthy, faces pressure from relatively lower proportion of a) blockbuster drugs going off patent in the US over the near-term along with b) increased scrutiny from US FDA resulting in increased compliance costs c) consolidation of supply chain putting pricing pressures, d) rising R&D costs and other overheads and e) currency volatility related challenges in EMs. Overall, company specific factors would continue to play a pivotal role with quality of product pipeline (i.e. higher share of limited competition launches in the U.S.) being the single most differentiating factor. Companies with growing portfolio comprising of niche/complex products in regulated markets, diversified geographic-mix and established brands in EMs would be better placed to manage some of the headwinds.

Over the past few years, pharma companies have increased their R&D budgets significantly in view of their growing focus both on regulated markets and complex molecules/therapy segments.

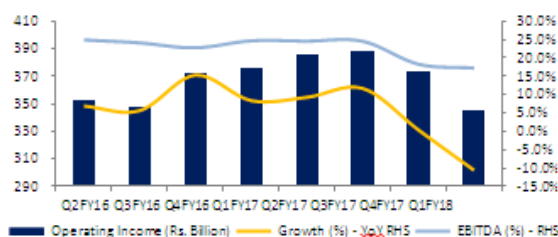
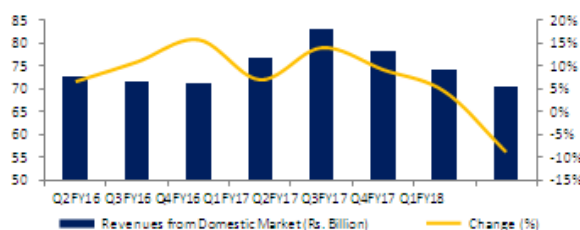
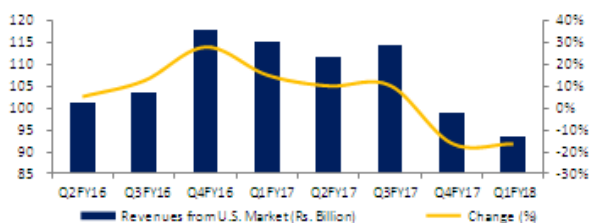
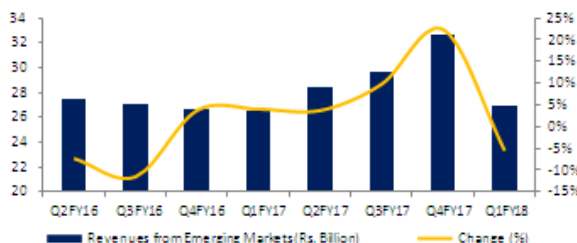
The credit metrics of leading pharma companies are likely to remain stable in view of steady growth prospects in regulated markets and limited dependence of Indian pharmaceutical companies on bank borrowings. The OPBITDA/Interest and TD/OPBITDA for the sample set of 21 publicly listed entities in Indian pharmaceutical industry has been healthy at 16.0x and 1.7x respectively for FY2017 and is expected to remain in similar range in medium term despite some pressure on profitability and marginal rise in debt levels given inorganic investments.



(Source: Company Data, ICRA research for set of 14 Listed Indian Pharmaceutical Companies)

### Geography-wise Growth Trends, Challenges & Outlook

The Indian pharmaceutical industry's growth declined as domestic growth moderated temporarily on account of GST implementation, decline in US market revenues owing to steep pricing pressure during Q1FY2017 and lack of limited competition opportunities. Base business in US will continue to face pressures given low to mid teens price erosion in US market as well as consolidation of supply chain, along with regulatory overhang for selected large players limiting new launches. Emerging markets supported growth with stabilisation of currency in Brazil and Russia as well as new launches in ROW markets. Emerging markets like Brazil, Russia and South Africa provided currency tailwind benefits though macro-economic challenges remain.

**Trend in Revenue & EBITDA margins (for 21 publically listed companies)**

**Trend in revenues from Domestic market**

**Trend in revenues from U.S. Market**

**Trend in revenues from Emerging markets**


Source: ICRA research, Company results

## Domestic Pharmaceutical Market

### *GST implementation leads to decline in sales:*

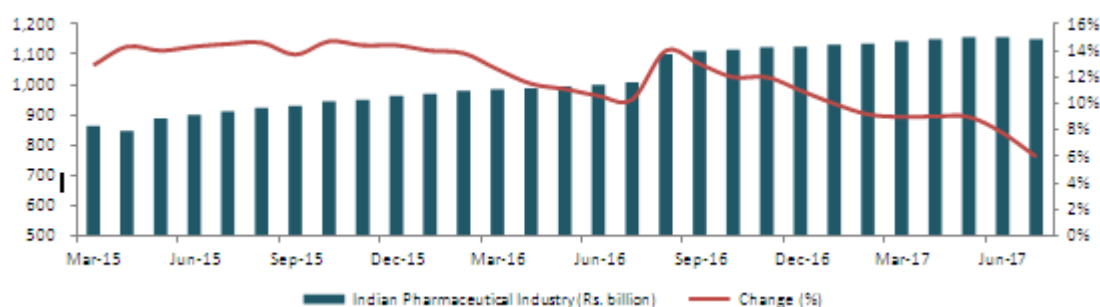
The industry registered a growth of 6.0% during MAT July 2017 as against 9.0% growth during MAT March 2017 with Q1FY2018 growth moderating on effect of GST implementation. Post demonetization, the IPM growth improved with Q4FY2017 growth of 6.6% compared to 5.6% during Q3FY2017 against 4.4% during Q1FY2018. The IPM growth declined during the month of July- 2017 at 7.6% reflecting impact of GST on secondary sales. Further, many retailers were in the process of being GST compliant which also had an impact on primary and secondary sales.

### *Regulatory Landscape:*

Regulatory interventions like expanded NLEM list and proposed FDC ban continue to have negative bearing on the growth with few companies such as Pfizer (Corex syrup) withdrawing the products from the market post announcement of ban. Companies are also focusing on improving profitability of domestic franchise through rationalization of portfolio and enhancing Field Force productivity.

The draft of the New Pharma Policy reflects structural changes for the Indian Pharma market. In term of key features the policy envisages a) focus on in-house manufacturing of APIs and formulations to be supported by incentives b) strict adherence to manufacturing quality at WHO-GMP levels c) compulsory BA/BE studies for new approvals d) regulating trade margins e) Promoting genericisation through drug labeling and public procurement policy. Overall while the policy is a step in the right direction in terms of quality standardization of manufacturing and new approvals, several other measures such as generic drug labeling and reducing trade margins may face resistance from the industry and successful implementation of same remains to be seen. The proposed introduction of BA/BE studies for new product approvals also may increase product launch costs and delay new product introductions.

## Growth Trends in the Indian Pharmaceutical Industry



Trend in Overall market growth & break-up between Acute & Chronic Segments:

Industry Size (in ₹ Billion)					MAT Growth (%)			
	Sep-16	Dec-16	Mar-17	Jul-17	Sep-16	Dec-16	Mar-17	Jul-17
Indian Pharmac eutical Industry	1110.2	1125.7	1143.2	1150.5	10.6%	13.0%	9.0%	6.0%

Monthly Growth Breakup - YoY	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
<b>Acute Therapies</b>	0.0%	4.9%	1.2%	7.9%	4.9%	0.0%	-0.5%
<b>Chronic Therapies</b>	7.6%	11.0%	6.4%	13.2%	8.7%	11.0%	3.0%

(Source: Industry Data, ICRA research)

Trend in Revenues (in ₹ Millions) from Indian Pharmaceutical Market

INR Mn	Revenues		Growth (%)	Comments
Company	Q1 FY17	Q1 FY18	Q1 FY18	
Sun Pharma	18,543	17,607	5.0	GST implementation impacted sales primarily for the month of June 2017. Expect gradual recovery in the next three quarters; 11 new products launched in previous quarter which aided growth; continues to be the top ranked company in domestic market with market share of 8.6%
Cipla			-12.9	GST implementation led to loss of 20-25 days of sales; strengthened diabetic portfolio through partnership with Janssen and Novartis Pharma – launched Canagliflozin, Vildagliptin. Expect mid-teens growth over the next three quarters
Lupin	9,499	9,324	-1.8	Growth impacted by GST implementation leading to channel de-stocking; expect next three quarter growth to be around 15.0%; NLEM impact was more for the company given 23% of sales coming under price control though new launches aided growth. Lupin launched 62 SKUs in FY2017
Cadila	7,862	6,374	-18.9	Growth impacted by GST implementation leading to channel de-stocking, expect Q2 to clock good growth in mid-teens; low share of NLEM products

INR Mn Company	Revenues		Growth (%) Q1 FY18	Comments
	Q1 FY17	Q1 FY18		
				at 14% of the revenues and new launches in therapies like respiratory, anti-infective and gastro supported growth; acquisitions of brands from Astrazeneca and MSD (₹ 100 crore annual revenues) also aided growth
Pfizer	5,209	4,326	-16.9	GST implementation leading to destocking by trade channel and discontinuation of flagship brand Corex from Q1FY2017, expect Q2FY2018 growth in mid-teens led by re-stocking and demand revival; continued impact of NLEM linked price cuts
DRL	5,223	4,687	-10.3	Growth impacted by GST linked trade channel destocking; outlicensed one product during the quarter with few other products over next few quarter which are non-focus areas. Growth to recover gradually over the next three quarters of FY2018
Glenmark	5,350	6,164	15.2	Booked strong sales during April and May leading to strong Q1 growth though June sales were challenging on account of GST implementation; 10-15% growth expected in Q2FY2018 and 15% growth for FY2018
Torrent	5,100	4,640	-9.0	The India business declined by 9% on account of channel destocking in view of GST implementation; launched 3 bio-similars during Q1FY2018. Acquired 2 brands for Indian market from Novartis AG to strengthen Women Healthcare franchise; NLEM molecules contribute 15-20% of sales; continued rationalization of field force and product mix to focus on productivity.
Unichem	2,215	1,706	-23.0	GST implementation linked trade channel destocking impacted primary sales. NLEM portfolio grew 3.9% while non-NLEM portfolio grew 13.9% on secondary sales basis

(Source: ICRA research)

The long term growth remain favorable driven by continued increase in penetration, new launches, selective price hikes taken in non NLEM portfolio as well as CPI linked price hike in FY2018 and increased field force productivity though regulatory interventions remain a concern. Companies are increasingly focusing on rationalizing portfolios and improving productivity for domestic franchise. Given positive CPI over CY 2016, price hike for NLEM portfolio is positive at 1.47% as notified by NPPA which will positively impact value growth for industry.

#### US Generics:

*Decline in US markets given no major launches; base business continue to face low to mid teens price erosion along with regulatory overhang for select companies*

For Indian pharma companies, U.S. generic drug industry is facing multiple challenges in form of close scrutiny by the US FDA, consolidation of supply-chain and need for higher investments in R&D to tap complex segments. However, given ANDA pipeline of complex and niche molecules along with increased R&D investments, long term growth outlook continue to remain stable though only limited FTF opportunities are there in near term. Acquisitions of ANDAs/business divested due to Teva-Allergan deal along with continued inorganic expansion by domestic majors will support growth. Managing increased regulatory costs and ability to protect base business remains key concerns.

Trend in Revenues (in ₹ Millions) from U.S. Generics

INR Mn	Revenues		Growth (%)	Comments
Company	Q1 FY17	Q1 FY18	Q1 FY18	
Sun Pharma	40,706	22,646	-44.4	US sales declined led by high base effect of limited exclusivity drug Imatinib ( Feb-July 2016) with Taro sales actually declining by 31%; Ramping up Odomoza, Tildra NDA accepted by USFDA; base business continue to face pricing pressures and supply constraints with Halol re-inspection resulting in 9 483s; process of shifting few products as risk mitigation measure
Lupin	2,1886	16,018	-26.8	Decline led by high single digit price erosion for base business; no limited competition product launches in Q1FY2017 with gGlumetza and gFortamet exclusivity period enjoyed during Q1FY2017. Excluding both grew by 11% in constant currency. Channel consolidation with WBAD and EconDisc coming together to create 40% market share will result in further pricing pressure. Several new launches planned but no limited competition products in FY2018 will lead to muted growth. First MDI ANDA of Albuterol ProAir filed from US R&D center
Aurobindo	17,039	16,949	-0.5	Despite more than 20 launches during FY2017, growth is moderate on back of sharp price erosion in certain oral solids of 2-12% (average of 9-10%) and INR appreciation; growth supported by injectible business (~17% of US Generics). gRenevela launched in Q2 with expected exclusivity till Q3FY2018. Key launches in near future include gMeropenem, gToprol, gEpzicom, and gViread
DRL	15,523	14,946	-3.7	Decline led by double digit pricing pressure led by enhanced customer consolidation and increased competition in key products such as gValganciclovir, gDecitabine, and gAzacitidine as well as injectible business; launched 4 new products during Q1FY2018; regulatory concerns at Srikakulam remains hampering approval and supplies; Duvvada API facility fails re-inspection
Glenmark	6,982	10,450	49.7	FTF launch of gZetia on Dec 12, 2016 with market share of 57% provided strong growth push leading to 49.7% growth in Q1FY2018; Company was earlier expecting US\$ 250 million sales during exclusivity period though achieved US\$170-180 million during the six month period. Base business continue to face 10-12% price erosion; 8-10 new launches in FY2018 to cover for price erosion
Cadila	8,483	9,650	13.8	Sales grew by 13.8% led by acquisition of Sentyln therapeutics in Q4FY2017. Base business continues to see price erosion of mid to low double digits. Complex generic gLialda launched (July 2017) with limited competition to drive Q2/Q3 FY2018 sales. Moraiya re-inspection done in Feb 2017 and EIR received; same is expected to result in slew of approvals and 40 launches in FY2018
Cipla	6,570	6,460	-1.7	In US\$ terms, growth was around 2% though INR appreciation led to negative INR growth. Continue

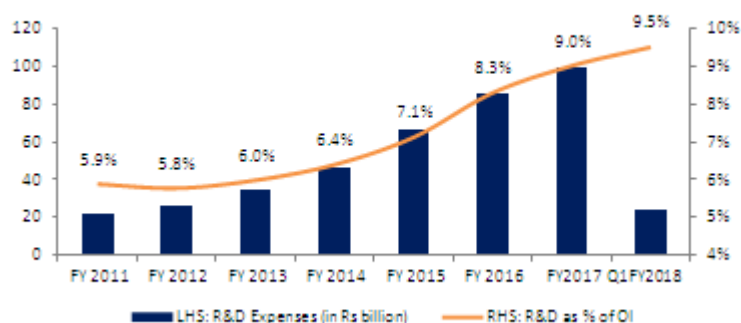
INR Mn	Revenues		Growth (%)	Comments
Company	Q1 FY17	Q1 FY18	Q1 FY18	
				to face high single to low double digit growth. Cipla filed 3 ANDAs during the quarter with 2 ANDAs exhibiting limited competition (Bupropion XL, Feno/Fenofibrate tablets). Few launches like gVidaza, gDacogen and gRenvela expected in FY18/19.
Torrent	4,340	2,720	-37.3	High base effect of gAbilify sales; excluding gAbilify also base business declined on back of sizeable price erosion and loss of certain contracts to price based competition. The company does not expect gRenagel (nephrology) approval in the near term. gQuetiapine ER (CNS) is likely to be launched in H2CY17

*Increasing focus on complex generics & biosimilars to necessitate higher investments in R&D*

Over the past few years, pharma companies have increased their R&D budgets significantly in view of their growing focus both on regulated markets and complex molecules/therapy segments. In FY 2017, most of the leading pharma players spent anywhere between ₹ 5-24 billion on R&D, which represented an increase both in absolute term as well as in proportion to net revenues (5-12% of sales).

R&D expenses for top seven large Indian pharmaceutical companies have increased at a CAGR of 30% over FY 2012-17 period and as a percentage of net sales have increased from 5.8% in FY 2012 to 9.1% in FY2017 and 9.5% in Q1FY2018. This trend is expected to continue as most of the leading companies are in the midst of expanding presence in complex therapy segment such as injectables, inhalers, dermatology, controlled-release substances and even biosimilars. Many of these segments entail higher R&D costs during the development stage owing to product complexities and need for clinical trials. While R&D spending would continue to vary across companies, significant rise in R&D budgets is expected, especially for companies that are developing biosimilars (for regulated markets) or have portfolio of NCEs under development. As these entities get closer to conducting clinical trials, they are likely to pursue JVs/Alliances with the objective to share investments and securing technological capabilities as has already been demonstrated by Sun who has out-licensed Tildra in EU market in Q2FY2017 receiving \$50mn as out-licensing fee.

Increasing R&D expenses for select set of top 7 Indian pharma



(Source: ICRA research, Company Results)

*Limited large size patent expiries in near term:*

The quantum of large size drugs (in terms of sales) going off patent is limited in near term thus providing limited large size opportunities. The pace of approval which had perceptibly slowed down in FY 2014 and FY 2015 has picked up over last and current fiscal. Under GDUFA, shift to predefined goals (GDUFA is already in Cohort V which requires action on 90% of submitted ANDAs within 15 months) has resulted in improved approval efficiency with FDA required to provide CRs (complete response) within defined time period along with increased communication with the filers in form of ECDs/IRs (easily correctible deficiency/Information Request).

US Brand Sales in \$Billion as per IMS Dec 2015					
	>5	3-5	2-3	1-2	0.5-1
2016	Humira	Gleevec Lantus*	Crestor	Zetia Cubicin Seroquel	Renagel Zostavax* Tamiflu Kaletra Flixotide Bydureon
2017			Cialis	Viagra Vytroin Norditropin Viread Sustiva	Sandostatin Strattera Reyataz Candidas Invanz Effient
2018	Remicade	Rituxan*	Lyrica	Xolair Tarceva Sensipar	Nuvaring Pediarix

(Source: ICRA research, Company Results, \* indicates bio similar opportunities)

*Adherence to FDA's directives and site transfer in a timely manner are vital to mitigate business risk*

The issuance of Warning Letters (WL) & Import Alerts (IA) for India-based manufacturing facilities have increased significantly over the past few years following US FDA's greater focus on compliance of cGMP guidelines by pharmaceutical companies. With slew of warning letters being issued to some of the leading pharmaceutical companies, such regulatory actions have emerged as a key risk for the sector as they result in supply issues as well as delayed product approvals and launches in the U.S. Companies have been taking site transfer (especially for major launches) and pursuing filings from dual locations for future ANDAs. Sun Pharma's Halol unit had re-inspection in Nov-Dec 2016 with 9 483s while DRL's Duvvada API facility had failed re-inspection in Q1FY2018 and as per management resolution of warning letter could take few quarters Cadilla's Moraiya unit was re-inspected in Feb 2017 and facility received EIR clearing the facility from warning letter. Indoco Remedies dedicated facility for US market (Ophthalmic/Injectables) at Goa was issued WL in April-17 thereby hampering upcoming launches and new ANDA filings.

*Proposed legislative measures to regulate generic prices would have long term impact if implemented*

Drug pricing has become a sensitive subject in the US in recent times with the government bearing down on pharmaceutical companies for increasing prices. Most of the clamour has been around increase in prices of branded products, but generics have also come under scrutiny with the antitrust division of the US Department of Justice (DoJ) probing sharp increases in prices of certain generic products and the possibility of drug makers acting as a cartel.

Increased generic pricing related scrutiny is a concern for Indian pharmaceutical companies though near term impact is expected to be minimal given limited sales from affected drugs and uncertainty regarding timing and extent of enforcement action once charges are proven. Though given heightened focus on controlling drug prices in US, certain legislative proposals could have significant implications for pharmaceutical pricing if implemented and can impact margin as well as revenue growth for Indian pharmaceutical company. Some of the proposals include:

- Increased scrutiny of/ ban on 'pay for delay' settlements between branded and generic companies which result in delay in entry of generics
- To link generic drug price increases with whole sale price index
- Allowing Centers for Medicare and Medicaid Management (CMS) to directly negotiate pricing with drug manufacturers Currently, these negotiations are performed by pharmacy benefit managers (PBMs), who sponsor Part D prescription drug plans for Medicare beneficiaries

### European Markets:

*Base currency depreciation impacted growth; low base and consolidation of acquired business aided growth though environment continue to remain challenging*

In Q1 FY2018, growth of Indian companies in the European markets was impacted by UK Pound depreciation of approximately 14.1%; though good performance in German tender business, companies rationalizing the portfolio over last few quarters, focus on profitable B2B segment along with consolidation of acquired businesses supported growth. The overall environment though remain challenging with the continued impact of price cuts being undertaken by various countries to curb healthcare bill and relatively cautious approach followed by generic companies in targeting profitable segments. Companies reported growth in revenues primarily on back of their new product launches, expanding market coverage and ramp up in acquired businesses. Challenges with regards to currency headwinds in UK and Eastern European countries continue to hamper growth. Overall, companies has been selective in their approach to go for remunerative opportunities in the market given high price based competition in tender business especially in geographies like Germany. While the UK pharmaceutical market continues to be a growth driver in local currency terms, growth remains muted in some of the other major markets. Further, companies (DRL, Cipla) have re-oriented their business model to focus on B2B segments in order to optimize costs and protect profitability.

INR Mn	Revenues		Growth (%)	Comments
Company	Q1 FY17	Q1 FY18	Q1 FY18	
Aurobindo	8,312	9,176	10.4	Base currency (Pound) depreciation impacted growth; in CC growth was 17.7%; pricing pressures remain in key European markets though company has been able to transfer ~40% of Actavis portfolio manufacturing to India; growth supported by acquisition of Portugal based Generis with CY2016 revenues of €65mn; consolidated from June 2017
Sun Pharma	5,625	7,424	32.0	Post rationalization of base over last few quarters, EU sales stabilizing; Q1 FY2018 sales include consolidation of acquired Novartis portfolio in Japan (accounted from Q3FY2017) having annual sales of US\$160 million
Wockhardt	4,090	3,480	-14.9	UK business grew by 29% in GBP in Q1FY2018 and received 1 new approval
Torrent Pharma	1,870	2,020	8.0	Increased participation in German tenders owing to capacity constraints being released with commencement of Dahej facility; German business to grow at 15% in constant currency in FY2018
DRL	1,615	2,075	28.5	Growth aided by new launches and entering new territories; company focusing on institutional clients to protect profitability
Glenmark	1,500	1,621	8.1	In constant currency the growth was 25%, overall performance hampered on account of GBP depreciation; Western Europe market grew by 18% in constant currency
Cipla	1,180	1,580	33.9	Rationalization of product portfolio and business mix shift towards B2B customers to focus on profitability Received Advair pMDI approval in UK and other markets – ready to launch and expects fair market share in 9-12 months in \$400 mn market
Lupin	1,054	1,250	18.6	Company looking at expanding presence across select EU markets especially in U.K. and German markets post consolidation of Temmler acquisition

(Source: Company Data, ICRA research; Sun report RoW sales which include Europe, Canada, Japan, etc with Q3 FY2017 onwards consolidation of acquired portfolio in Japan. Lupin's revenues include Middle East, Africa.)

### Emerging Markets:

*Low base and currency tailwinds aided growth though macroeconomic challenges remain*

The operating environment in some of the key emerging markets continue to be challenging on back of a confluence of factors including frequently evolving regulatory landscape, increasing competition (from both local as well foreign players) though firming up of oil prices augur well for economies like Russia. Currency tailwinds supported growth in markets like Brazil and Russia while Mexico saw sizeable depreciation. Slow pace of regulatory approvals (in Brazil and South Africa), price cuts, and political instability are some of the key concerns in key emerging markets. Despite challenges, some of the companies continued to report healthy growth largely on account of expanding product portfolio and geographic expansion. Companies like DRL and Glenmark had sizeable exposure to Venezuela and were affected by currency devaluation though both have stopped dispatches since H2FY2016. Further capital controls implemented continue to impact repatriations with DRL writing off most of receivables in Q4F2016 and Glenmark in Q4FY2017.

INR Mn	Revenues		Growth (%)	Comments
Company	Q1 FY17	Q1 FY18	Q1 FY18	
Sun Pharma	10,311	10,804	4.8	Broad based growth across Emerging markets (LATAM, CIS etc); currency benefits supported growth. Acquisition of JSC Biointez, Russia in Q3FY2017 (Annual revenues of US\$52 million) also aided growth
Cipla	11,620	12,190	6.0	South Africa private market business contributes 67% and grew faster than tender business; overall South African market grew by 21%. Other EMS declined by 3.7% on back of forex fluctuations, political uncertainties and portfolio rationalization
Dr. Reddy's	4,277	5,747	34.4	Growth driven by Russian operation with improvement in base business, Rituximab supplied under national tender and currency benefit; increased traction in biosimilar space in EMs. Entered Columbia and plans to enter the Brazil market
Lupin ^	1,870	2,020	8.0	South Africa declined by 11% led by lower volumes on account of seasonality while other EMs declined by 6.9% on account of lower tender business. Resolved challenges in distribution faced in Brazil and Mexico
Glenmark	3,505	3,110	-11.3	CC led by sale of Oflomil nail lacquer and the approval of its variation whereby the product may be used under nail varnish; launched 4 new products in Africa and 1 each in Malaysia and Myanmar; Company wrote off ₹ 325 crore Venezuela receivables in Q4FY2017
Torrent	1,670	1,810	8.4%	Brazil recorded growth of 8% with price hike of 3% allowed in April 2017
Cadila	1,863	1,737	-6.8%	Cadila's LATAM business de-grew by 3% while other Ems declined by 8%; Launched 1 new product for Brazil market; two biosimilars launched in RoW while continue to file new dossiers of first generation biosimilars and mAbs; RoWs contributes ~32% of EM sales for the company

(Source: Company Data, ICRA research; ^ Excluding Japan)

### Exports:

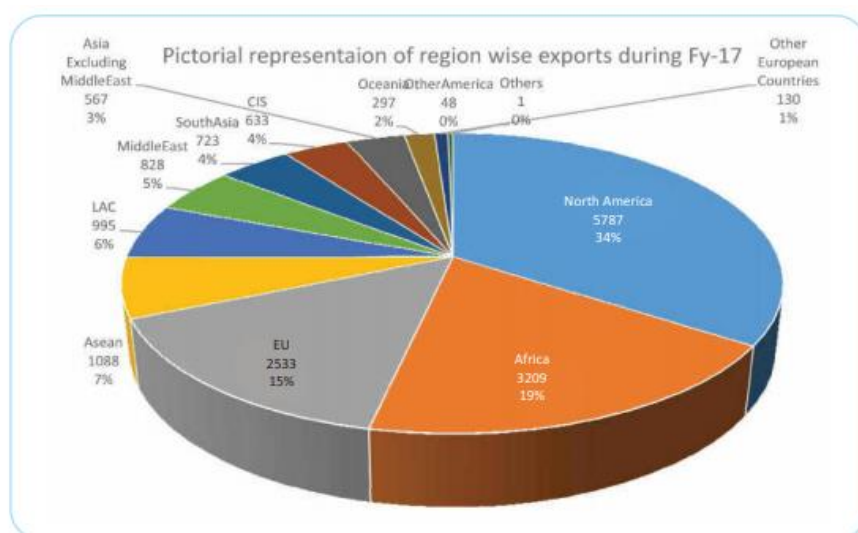
Market size of the global pharma industry is estimated at \$1100 billion with a very marginal growth rate of 3%. For the Fiscal 2017, India's total export of Pharmaceuticals (including APIs, Generics and Alternative system of medicines) was \$16.84 billion with a negative growth of 0.43%. India's exports in INR terms has recorded a growth of 2.03% and was valued at 112,915 Crore. India, a predominant player in Global Generic market has clocked \$ 12.7 billion of Exports out of a total \$ 294 generic market with a growth of 0.42 % during the year2016-17.

Following table shows the progress of India's exports of Pharmaceuticals during the last three years:

India's exports of Pharmaceuticals to world (in \$ mn)			
Category	2016-17	2015-16	2014-15
Bulk Drugs and Drug Intermediates	3,401	3,597	3,565
Drug Formulations and Biologicals	12,701	12,648	11,214
AYUSH	124	111	118
Herbal Products	280	253	236
Surgicals	334	303	299
<b>Total</b>	<b>16,840</b>	<b>16,912</b>	<b>15,433</b>

(Source: <http://pharmexcil.com/docs/Px113thAnnualReport2017.pdf>)

India has a market share of almost 42% of Generic market size of Africa and Middle East put together. Region of North America has contributed over 34% to India's pharmaceutical exports and has grown by a 1.25% in FY17 which is highest as shown in the following table:



(Source: <http://pharmexcil.com/docs/Px113thAnnualReport2017.pdf>)

USA is the largest exporting partner of India by country and it has been so, for the last decade. During 2016-17 Exports to USA has grown over 1% and has contributed over 33% to the total. Around 55% India's exports are to highly regulated markets.

India's exports of Pharmaceuticals to top 10 destination countries (IN \$ Mn)				
Rank	Country	2015-16	2016-17	Change% of FY-17
1	U S A	5514	5580	1.20
2	U K	564	551	-2.24
3	South Africa	605	486	-19.68
4	Nigeria	437	399	-8.71
5	Russia	374	384	2.76
6	Brazil	326	338	3.72
7	Germany	348	335	-3.66
8	Kenya	332	326	-1.96
9	Australia	233	238	2.06
10	Belgium	192	232	20.69

(Source: <http://pharmexcil.com/docs/Px113thAnnualReport2017.pdf>)

## OUR BUSINESS

### Overview

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" beginning on page 19, 327 and 173 respectively. The financial figures used in this section, unless otherwise stated have been derived from our Company's restated standalone and consolidated financial statements. Further, all references to "Finecure", "Finecure Pharmaceutical Limited", "the Company", "our Company" and "the Issuer" and the terms 'we', 'us' and 'our', are to Finecure Pharmaceutical Limited.*

Our Company was incorporated in the year 2005 as a pharmaceutical company and is engaged in manufacturing and process development of pharmaceutical formulations in various therapeutic segments such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins and Nutraceuticals etc. within the acute and chronic category of the Indian Pharmaceutical Market.

Our Company launched its "Neocardiabcare" division in the year 2014 and expanded its operations in chronic category to manufacturing of formulations under cardiovascular and anti-diabetics therapeutic segments.

Our manufacturing unit is an ISO 9001-2015, ISO 14001-2015, ISO 18001-2007 and ISO 22000-2005 certified manufacturing facility located at Shimla Pista, Kichha, Rudrapur, Udham Singh Nagar-263148, Uttarakhand for manufacturing of pharmaceutical formulations under acute and chronic categories. Our manufacturing facility has been recognized by Directorate General of Medical Health and Family Welfare, India for compliance with good manufacturing practices stipulated by World Health Organisation with respect to manufacturing and testing of our products. Our manufacturing facility has also obtained certifications in respect of compliance with good manufacturing practices from various overseas authorities such as Directorate General of Drug Pharmacy and Laboratories Ivory Coast, Director General of National Agency for Food and Drug Administration and Control (NAFDAC), Nigeria and Registrar Pharmacy and Poisons Board, Nairobi.

As part of our expansion strategy, we have acquired 9893.60 sq mt. land for setting up our new manufacturing facility located at Sanand II Industrial Estate, Sanand, Gujarat in order to further grow our scale of operation in relation to our Clavulanic based formulations and other existing range of products. We have obtained the necessary approvals for our building plans and the civil construction work is under progress.

We had also invested in M/s Finecure Medisciences (*Previously known as M/s Modern Door Devices*) to enhance our scale in manufacturing of ointments in derma, anti-fungal, and anti-inflammatory therapeutic products by establishing a new ointment manufacturing facility on the land and building held by the firm located at Plot no. 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand. Our Company became a partner with 99.70% share in the profits and capital of the Partnership Firm vide a deed of partnership dated December 30, 2015.

Subsequently, the Partnership Firm was dissolved vide a deed of dissolution dated March 30, 2018 and all the movable and immovable assets of the firm including its proposed ointment unit was transferred to our Company. As on the date of the deed of dissolution, the civil work for the proposed ointment unit has been completed and installation of plant and machinery for the proposed ointment unit is in progress. For further details, please refer the section titled "*History and Certain Corporate Matters*" beginning on page 138.

Our Company has marked its presence in both domestic and global markets. In the domestic markets, we are majorly into the manufacturing, marketing and sale of formulations in the acute and chronic category of pharmaceutical products as well as into contract manufacturing for other pharmaceutical companies. In the global markets, we are into the manufacturing and sale of formulations and have our presence in Africa, Latin America and South East Asia.

Our domestic and international operations accounted for 74.24% and 25.76% and 87.99% and 12.01% of our revenues from sales of product for nine month period ended on December 31, 2017 and Fiscal Year 2017 respectively. Our restated consolidated and standalone net revenues from operations grew at a compounded annual growth rates ("CAGR") of 32.62% in the period from fiscal year 2013 to fiscal year 2017.



### **Finecure Pharmaceuticals Limited**

Our company has received more than 70 product registrations in countries namely Nigeria, Kenya, Cambodia, Myanmar, Hong Kong, Turkmenistan, Afghanistan and Peru. We have also applied for more than 60 product registrations in 7 new markets such as Sudan, Liberia, Mozambique, Tajikistan, Kyrgyzstan, Uzbekistan and Botswana as well as in the existing markets such as Myanmar, Nigeria and Turkmenistan. The product registrations if granted will boost our exports and business operations. Our Company endeavors to grow further by continuing to file product registrations in new international markets to further expand our operations in the international markets.

We also manufacture Clavulanic based formulations such as Co-Amoxiclav, Cefixime-Clav and Cefpo-Clav on contract manufacturing basis. Our company mainly supplies Amoxicillin and Clavulanic Acid combination of drug under private label of our clients. Amoxy clav is used to treat infections caused by certain bacteria. Amoxicillin works by killing the bacteria that is causing the infection. Clavulanic acid helps make the amoxicillin more effective. This medication is most commonly used to treat infections of the sinus, ear, lung, skin, and bladder. This combination basically comes under 'Anti-infective' therapeutic area. Clavulanic based formulations are sensitive to moisture and temperature so it require low temperature of 23 degrees and low relative humidity of 20% RH to maintain throughout the manufacturing process. Our Manufacturing facility adheres to the aforesaid temperature and relative humidity levels.

Our Company has also ventured into marketing and distribution of injectables manufactured by our Associate Company i.e. Finebiotics Pharma Limited.

We generate significant demand for our products in India through field force of medical representatives employed by us and our distributors who also appoint their own medical representatives. The medical representatives promote our products amongst medical practitioners in various specialties as well as pharmacies and distributors to ensure that our brands are adequately stocked. Further to enhance our market presence and recognition, we get magazines printed for circulation in trade and amongst doctors periodically. We also advertise our brand and our products through media and participation in CMEs (Continuous Medical Education) and Conferences. We also market and sell our products through distributors based on distribution agreement for marketing and distributing our products across India and overseas. Our company is member of India Trade Promotion Organisation (ITPO), Pharmaceuticals Export Promotion Council (Pharmexcil) and actively participate in business delegation and trade fairs including overseas exhibitions to expand our international reach. Also we analyze market trend through market research data that keep us updated with respect to product portfolio and their target geographies.

Our promoters namely Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia who are also part of our Board of Directors have been associated with pharmaceuticals industry for over a decade. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our promoter, Mr. Vishal Rajgarhia is Doctor of Science (D.Sc) in the field of Management from KEISIE International University and has been recognised as "Most Impactful Healthcare Leader, 2017" from World Health & Wellness congress and CMO Asia, "Influential Leader of India 2017" for excellence in the Field of Business from ERTC, "Global Business Leadership Award" by World Peace and Diplomacy Organisation for best performance in the field of manufacturing Pharmaceutical Formulations (West India) and "Certificate of Leadership" by ASSOCHAM for remarkable contribution towards India's Pharma Awareness Drive in State of Gujarat 2016. Mr. Vishal Rajgarhia serves as Chairman, Pharma Council, ASSOCHAM Gujarat, Co-Chairman, ASSOCHAM National Council on Drugs and Pharmaceuticals and Confederation of Indian industry (CII), Gujarat Pharmaceutical Taskforce.

Our company has been awarded with "International Arch of Europe Award – Germany" for Quality & Technology in Gold Category in the year of 2012, "Assocham India Business Excellence Award 2013", "Asia's Most Promising Brand" validated by Consumers & Industry, "IPE Fastest Growing Pharma Company Award 2015", "Innovation in Process and Formulation development Award 2016" by CIMS " MEDCON - Pharma Company of the Year 2016 – (Operational Excellence) by Assocham, India, "Dream companies to work for Pharmaceuticals" by Times Ascent World HRD Congress and "SME Company of the year in 2018" by ET Now. For further details in relation to awards and recognitions of our company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 138.

For the nine months period ended December 31, 2017 and for year ended on March 31, 2017 and March 31, 2016, our restated consolidated and standalone net revenue from operations was ₹ 8388.97 Lakhs, ₹ 9788.28 Lakhs, and ₹8780.59 Lakhs respectively. Our restated standalone profit after tax attributable to shareholders was ₹1081.74 Lakhs and ₹1376.12 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively.

## Finecure Pharmaceuticals Limited

Further, our restated consolidated profit after tax attributable to shareholders was ₹1083.29 Lakhs and ₹1369.03 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively. Our restated standalone and consolidated profit after tax attributable to shareholders has grown at a CAGR of 34.76% and 34.59% respectively between Fiscals 2013 and 2017 demonstrating our focus on sustainable profit growth over such period.

Our business operations can be broadly categorised into domestic and international operations: Our revenue from sale of goods from domestic and international market is as follows: -

Revenue from Sale of products*	Period Ended				Fiscal			
	December 31, 2017		2017		2016		2015	
	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products
Domestic	6125.14	74.24	8570.95	87.99	7889.94	90.44	6242.83	95.85
Export	2125.44	25.76	1170.02	12.01	833.82	9.56	270.52	4.15
<b>Total</b>	<b>8250.58</b>	<b>100.00</b>	<b>9740.97</b>	<b>100.00</b>	<b>8723.76</b>	<b>100.00</b>	<b>6513.35</b>	<b>100.00</b>

\* the remainder of our revenue from operations is comprised of other operating income, which are not divided into domestic and international sales

## Our Competitive Strength

### 1. *Quality assurance and standards*

Our company was founded in 2005 with a mission and vision of “Making lives Healthier” by providing quality medicines with innovation and technology. Quality plays one of the most vital roles in the success of any organisation. We are focused on providing high quality products and services. We adopt quality check to ensure the adherence to desired specifications and quality. Our Priority is to control all areas at the time of producing our medicines, from approval of raw materials to the commercialization process. Our focus on quality is evidenced by the quality certifications and accreditations that our facility has obtained from various domestic and international accreditation agencies. Certifications like ISO and GMP as per WHO guidelines from authorities in India and GMP certifications from overseas authorities such as Directorate-Drug Pharmacy and Laboratories, Ivory Coast, NAFDAC, Nigeria and Pharmacy and Poison Board, Nairobi indicates our commitment of adherence to high quality standards.

### 2. *Experienced management team*

We have seen strong growth under the vision, leadership and guidance of our founders, Mr. Vikash Rajgarhia, Mr. Vishal Rajgarhia and Mr. Vivek Rajgarhia. We believe that, leadership is the result of team work allowing issues and ideas to be developed, widening our competitive advantage. Our Promoters, who also form part of Board of Directors of our Company, have a proven background and experience of more than a decade in the manufacturing of pharmaceutical formulations. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team’s experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities. We believe our Management’s overall experience will help us in addressing and mitigating various risks inherent in our business, including technical problems, significant competition and the global economic crisis etc.

### 3. *Diversified business operations and revenue base*

Our business is diversified in terms of geographies and therapeutic areas within the pharmaceutical industry. In terms of geographical diversity, we have marked our presence in India and international markets such as Macau, Srilanka, Nigeria, Kenya, Cambodia, Hong Kong, Afghanistan, Myanmar, Peru, Venezuela and Sierra Leone. In terms of products, we have multiple brands across various therapeutic areas. Our diversified revenue base enables us to mitigate the risk of income concentration by spreading revenue across multiple sources and opens opportunities to new prospects of growth.

#### **4. *Strong sales, marketing and distribution capabilities***

We have been supplying our products on Pan India basis and hence are not dependent on any particular region. We believe that our wide spread domestic presence not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value. For our distribution channel, we have more than 350 distributors as on December 31, 2017. For "Neocardiabcare" division, we are supplying the products in the state of Gujarat and Madhya Pradesh through our own designated sales and marketing team.

In addition to the above, we have also implemented ERP-SAP to review and monitor sales-distribution, demand planning and sales forecasting. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms. Our IT integration with Processes is awarded for its excellence by ABP News Excellence award 2017.

#### **5. *Enhanced focus on process development***

Innovation and quality is the core driving forces of the company. Our company continues to evolve by limitless dimension of evolution through process development to cater the specific requirements of a given product while meeting process quality and cost objectives. Our FR & D Department is dedicated towards developing manufacturing process with inbuilt quality control checks and validations.

#### **6. *Scalable Business Model***

We believe that we have scalable business model as our business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both domestic and international by exploring customer needs, marketing expertise and by maintaining the consistent quality output.

#### **7. *Global Presence***

Our Company is operating both in domestic and export markets. Currently our Company caters to Asian, African and Latin American markets. We have generated export revenue of ₹ 2125.44 lakhs and ₹ 1170.02 lakhs for nine month period ended on December 31, 2017 and for the year ended March 31, 2017 respectively which is 25.76% and 12.01% of our total standalone revenue from operations. Our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations. Our Company has also been recognized by Government of India as a "One Star Export House" and holds a valid certificate for the same from the Director General of Foreign Trade.

### **Business Strategy**

#### **1. Broaden and Deepen presence in existing product portfolio**

We intend to continue to consolidate our position in our key therapeutic areas such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins, Nutraceuticals, cardiovascular and anti-diabetics and increase our overall Market share through following initiatives:

- Strengthen our position with respect to manufacturing of Clavulanic based formulations through our proposed manufacturing facility located at Sanand, Gujarat with a target to penetrate regulated markets
- Grow the scale of operation in ointments in pain relief and derma therapeutic areas through our upcoming manufacturing facility at Rudrapur, Uttarakhand.
- Enhancement of prescriptions and prescriber base in key specialty areas;
- Identification of gaps in our product portfolio for the introduction of new products;
- Enhancing the productivity and efficiency of our sales and marketing personnel through training,

technology and exploiting synergies between divisions

- Launching new innovation driven products adding value to product mix.

## 2. Focus on chronic division

Our company has launched “Neocardiacare” the chronic division focusing on Cardiovascular and Diabetic therapeutic areas. A chronic condition is a human health condition or disease that is persistent or otherwise long-lasting in its effects or a disease that comes with time. While risk factors vary with age and gender, most of the common chronic diseases are caused by dietary, lifestyle and metabolic risk factors. Although India has been successful in managing communicable diseases like polio and cholera, the number of cases related to lifestyle diseases has increased drastically in recent times. Seeing the immense potential in this segment our company has ventured into chronic division in 2014 and intend to expand its operation under this segment.

## 3. Increase global market presence by targeting regulated markets

As part of our growth strategy, we intend to target regulated markets as well as enhance our presence in existing geographies. We intend to obtain approvals from regulated markets for our proposed manufacturing facility located at Sanand, Gujarat. Our growth strategy will vary from country to country depending on country specific regulatory requirements. We may out license companies with strong local presence or alternatively appoint local distributors through which we can undertake distribution and marketing. The commercialization of products under registration will add to growth. We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships which we believe will be beneficial to increase our presence in International Markets.

## 4. Expand our manufacturing scope by adding more products

We currently own and operate our manufacturing unit in Rudrapur, Uttarakhand. This unit has capability to manufacture formulations catering to different therapeutic segments like Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins, Nutraceuticals, cardiovascular and anti-diabetics etc.

With our current and proposed facilities, we intend to increase our product range further and thus cater to more therapeutic segments and enhance our reach to diversified customers. Our Company believes that expanding our scope by manufacturing more formulations will enable us to utilize our capacities, manpower and other resources better. The marketing of the new products will be aided by our existing customer base, long standing trade relations and overall goodwill in the pharmaceutical industry.

## 5. Improve operational efficiencies

We will continue to focus on further increasing our operations and improving operational effectiveness at our production facilities. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We shall continue to focus on investing in automation, modern technology and equipment to continually upgrade our products including the quality of our products to address changing customer preferences as well as to improve operational efficiency. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

## **Our Product portfolio**

Our product portfolio comprised of 136 mother brands under various therapeutic segments in Dosage forms of Oral Tablets, Liquid, Dry Powders and Ointments as follows:

## **Acute Category Products**

Our products in the acute category of the IPM cater primarily to the following therapeutic areas:

### *Anti-Infective*

These drugs used in the treatment of microbial infections caused by micro-organisms such as bacteria, viruses and parasites. They function by inhibiting the growth of the micro-organism or by killing the micro-organisms. Our anti-infective portfolio includes therapeutic classes such as penicillin, cephalosporin, macrolides and comprises of more than 30 mother brands as of December 31, 2017.

Set forth below is a brief description of our key brands in this therapeutic area:

- **Azom** (Azithromycin) is a macrolide antibiotic and is used wide range of bacterial infections such as bronchitis; pneumonia; sexually transmitted diseases (STD); and infections of the ears, lungs, sinuses, skin, throat, and reproductive organs.
- **Finemox CV** contains the active ingredients amoxycillin and clavulanic acid and is used for the short term treatment of a wide range of bacterial infections. These infections may affect the respiratory system, the urinary system, sinuses, ears, skin and soft tissues.
- **Safedinir (Cefdinir)** is a third-generation cephalosporin antibiotic used for the treatment of a variety of infections including pneumonia, acute exacerbations of chronic bronchitis, acute maxillary sinusitis, pharyngitis/tonsillitis, uncomplicated skin and skin structure infections, acute otitis media.
- **Sayfur (Cefuroxime)** is a cephalosporin antibiotic used for the treatment of bacterial infections Pharyngitis/Tonsillitis, Acute Bacterial Otitis Media, Sinuses, urinary system, skin and soft tissues.

### *Antacid / Anti-Ulcerants / Anti-GERD*

Products in this category relieve discomfort relating to the stomach and intestines. Our Antacid / Anti-Ulcerants/ Anti GERD portfolio consists of therapeutic molecules such as pantoprazole, omeprazole, domperidone and ondansetron; and comprises of more than 10 brands as of December 31, 2017.

Set forth below is a brief description of our key products in Gastro-intestinal therapeutic area:

- **Pepcare (pantoprazole)**, is a proton pump inhibitor that decreases the amount of acid produced in the stomach. It is used to treat erosive esophagitis and other acid peptic disorder
- **Pepcare-D** is a combination generic drug comprising the active ingredients pantoprazole and domperidone. While pantoprazole assists in decreasing excess stomach acid, domperidone is a peripheral blocker of dopamine receptors which prevents nausea and vomiting. It also increases gastric mobility. Pepcare-D is prescribed for gastroesophageal reflux disease.
- **Omcure (Omeprazole)** is a proton pump inhibitor that decreases the amount of acid produced in the stomach and used to treat Peptic Ulcers, Gastric ulcers, Duodenal ulcers and Gastroesophageal reflux disease.

### *Multi-Vitamins / Nutritionals/ Protein Supplements/ Anti-Oxidants*

Our products under this therapeutic segment provide a source of supplement for sustaining good health. Our Multi-Vitamins / Nutritionals/ Protein Supplements/ Anti-Oxidants portfolio includes multi-vitamins with nutrients, vitamin B12, metabolites, and protein and nutrients supplements. Our portfolio under this therapeutic segment comprises of more than 10 mother brands as of December 31, 2017.

Set forth below is a brief description of our key products in this therapeutic area:

- **Menuvit** is a multi-vitamin, multi-mineral product that is used as a health supplement various ailments or as prophylaxis. This product contains major vitamins and minerals. The product is used in several therapeutic areas to improve the health of a person suffering from chronic illnesses or during convalescence.
- **Mynerve Plus** contains combination of multi-vitamin, multi-minerals with methylcobalamine and inositol which provides complete nerve nourishment. It is indicated in Neuritis, Depression, Diabetes, Bells palsy, Vitamin B deficiencies, Neurological disorders, Anaemia, Dementia, Stress and Premenstrual syndrome.

### Anti-Allergics/Anti-Cold/ Anti-Asthmatics

Products under Anti-Allergic category relieve discomfort relating Allergies and related symptoms. Our portfolio under this therapeutic segment comprises of more than 10 mother brands as of December 31, 2017.

Set forth below is a brief description of our key products in Anti-allergic / Anti-Asthmatics therapeutic area:

- **Cez (Cetirizine)** is a second-generation antihistaminic used in the treatment of Allergies, Hay fever, Angioedema, Urticaria, Rhinovirus infection and kimura's disease.
- **Cezlevo (Levocetirizine)** a third-generation non-sedative antihistamine used for treatment of Seasonal allergic rhinitis, Perennial allergic rhinitis, Chronic idiopathic urticaria, Allergic conjunctivitis and in Anaphylactic reaction
- **Fexoquit (Fexofenadine)** which is selective, non-sedative H1 receptor antagonist used for treatment of Allergic Symptoms including Itching, Sneezing, Watery eyes, Rhinorrhea, Lacrimation and Itchy palate
- **Montey L** is combination of Montelukast and Levocetirizine, an effective combination of non-sedative antihistaminic and leukotriene receptor antagonist used for treatment of in Seasonal allergic rhinitis, Perennial allergic rhinitis and Prophylaxis and treatment of Asthma.

### Cough-Suppressants

Products under Anti-Cough relieve discomfort relating Cough and related symptoms. Our portfolio under this therapeutic segment comprises of 5 motherbrands as of December 31, 2017.

Set forth below is a brief description of our key products in this category:

- **Kofkul** is Anti-tussive due, anti-histaminic, anti-cholinergic to give symptomatic relief and used in treatment of Dry, irritating and Allergic cough, Rhinitis, Bronchitis and Pneumonia
- **Koforil** contains combination of Terbutaline, Guaiphenesin and Bromhexine which is an expectorant drug that removes phlegm from the airways and soothes the bronchus and provide cooling effect and in used for treatment of cough, breathlessness, bronchitis and pneumonia.

### Chronic Category Products

Our products in the chronic category of the IPM cater primarily to the following therapeutic areas:

### Cardio-vascular and Anti-diabetic

As of December 31, 2017, we had a portfolio of 14 mother brands in this therapeutic area. Our key products under Cardio-vascular area are Rosevast. Our key products under Anti-diabetic area are Vogleboz, Diabnerve and Glimefine.

### Cardio-vascular

Products under this Category focus on cardiac health and therapies as Hypertension and Hypercholesterolemia. As of December 31, 2017, we had a portfolio of 10 mother brands in this therapeutic area.

Set forth below is a brief description of our key product in Cardio-Vascular therapeutic area:

**Rosevast (Rosuvastatin)** is a drug class of statins and used for treatment of Hyperlipidemia, lipid disorders, Hypercholesterolemia and Primary Prevention of CVD.

### Anti-diabetic

Our key products under this therapeutic area are Diabnerve and Glimefine

**Diabnerve products** contains a mix several actives to treat Diabetic Neuropathy and similar symptoms and with products in its family to address needs of indications like Post operative pain, Diabetic Neuropathy, Post Herpetic Pain, neuropathy, nerve damage , Neuralgia and other symptoms in relation to nerves.

**Glimefine product** contains major active Glimepiride, an orally available medium-to-long-acting sulfonylurea anti-diabetic drug. It is classified as first third-generation sulfonylurea and is indicated to treat type 2 diabetes mellitus. Its mode of action is to increase insulin production by the pancreas.

### Our Manufacturing Facilities and Process of Manufacturing

Our manufacturing facility located at Shimla Pistaar, Kichha, Udham Singh Nagar, Rudrapur, Uttarakhand. Our manufacturing and development capabilities include formulation through process development, scale-up and full scale commercial manufacturing and specialized capabilities for the development and manufacturing of pharmaceutical formulations.

We have acquired 9893.60 sq Mt. land for setting up our new manufacturing facility at Sanand II Industrial Estate, Sanand, Gujarat in order to further grow our scale of operation in relation to our specialty product Clavaunic based formulations. The said facility is currently under civil construction.

We had also invested in M/s Finecure Medisciences (*Previously known as M/s Modern Door Devices*) to enhance our scale in manufacturing of ointments in derma, anti-fungal, and anti-inflammatory therapeutic products by establishing a new ointment manufacturing facility on the land and building held by the firm located at Plot no 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand. Our company became a partner with 99.70% share in the profits and capital of the Partnership Firm vide deed of partnership dated December 30, 2015.

Subsequently, the Partnership Firm was dissolved vide a deed of dissolution dated March 30, 2018 and all the movable and immovable assets of the firm including its proposed ointment unit was transferred to our Company. As on the date of the deed of dissolution, the civil work for the proposed ointment unit has been completed and installation of plant and machinery for the proposed ointment unit is in progress. For further details, please refer the section titled "*History and Certain Corporate Matters*" beginning on page 138.

The table below provides key details of our manufacturing facilities, as on December 31, 2017:

Location	Status	Approvals	Description
<b>Rudrapur Unit:</b> Shimla Pistaar, Kichha, Rudrapur, Udham Singh Naga, Uttarakhand	Operational	adheres to WHO GMP guidelines	Manufacturing facility focused on manufacture of capsules, tablets and Syrups with an installed capacity (on a single shift basis) of 3600 lakhs, tablets, 600 lakhs, capsules and 120 lakhs syrup per annum and spread in 3,750 sq. Mt. built up area.
<b>Sanand Unit:</b> Sanand II Industrial Estate, Sanand, Gujarat	Under Civil construction	--	To focus on manufacturing of coamoxiclav based formulations and manufacturing of tablets, capsules and dry syrups
<b>Ointment Unit :</b> Plot no 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand	Civil work has been completed and plant and machinery installation is in progress	--	To focus on manufacturing of ointments for pain relief, derma, anti-fungal etc.

### Capacity and Capacity Utilization

The capacity utilization at our Rudrapur Unit is as follows :

(In Units)

Particulars	
Type of Tablets, Capsules, Syrup Products	
<b>Installed Capacity*(per annum)</b>	
Tablets	36,00,00,000
Capsules	6,00,00,000
Syrup	1,20,00,000

<b>Existing Production</b>						
	<b>2014-15</b>		<b>2015-16</b>		<b>2016-17</b>	
	<b>Output</b>	<b>Utilisation**</b>	<b>Output</b>	<b>Utilisation</b>	<b>Output</b>	<b>Utilisation</b>
Tablets	15,54,09,400	43.17	20,91,04,081	58.08	21,70,22,144	60.28
Capsules	1,96,59,000	32.77	2,95,48,625	49.25	2,35,09,173	39.18
Syrup	61,09,260	50.91	76,51,659	63.76	1,09,06,968	90.89
<b>Proposed Production</b>						
	<b>2017-18</b>		<b>2018-19</b>		<b>2019-20</b>	
	<b>Output</b>	<b>Utilisation</b>	<b>Output</b>	<b>Utilisation</b>	<b>Output</b>	<b>Utilisation</b>
Tablets	22,67,28,000	62.98	23,39,64,000	64.99	23,63,76,000	65.66
Capsules	2,80,00,000	46.67	2,89,44,000	48.24	3,21,60,000	53.60
Syrup	1,13,00,000	94.17	1,13,00,000	94.17	1,13,00,000	94.17

\*Based on 300 days in a year in single shift

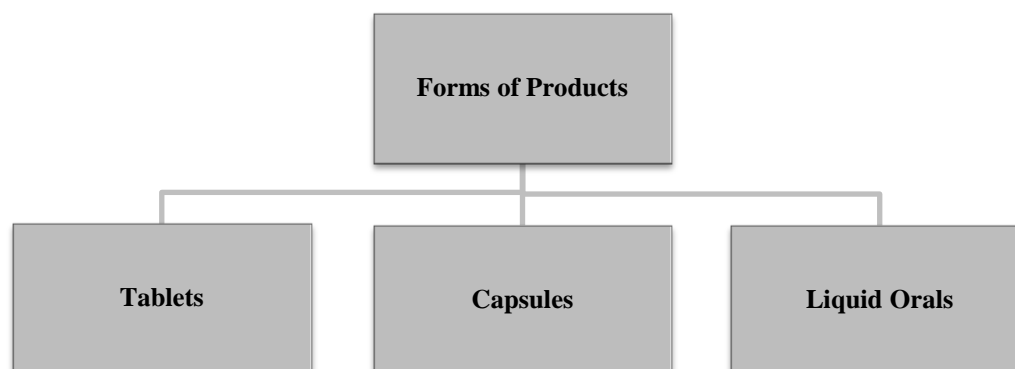
\*\*Capacity utilization = Output / Installed capacity

The increase in production capacity at our manufacturing facility shall be based on future business conditions and approval from government authorities, as applicable. We have arrangements for regular power and water supply at our manufacturing facility together with provisions for back-up such as diesel generator sets. For risks in relation to our manufacturing facility, please refer the section titled "Risk Factors" beginning on page 19.

### **Brief of manufacturing process**

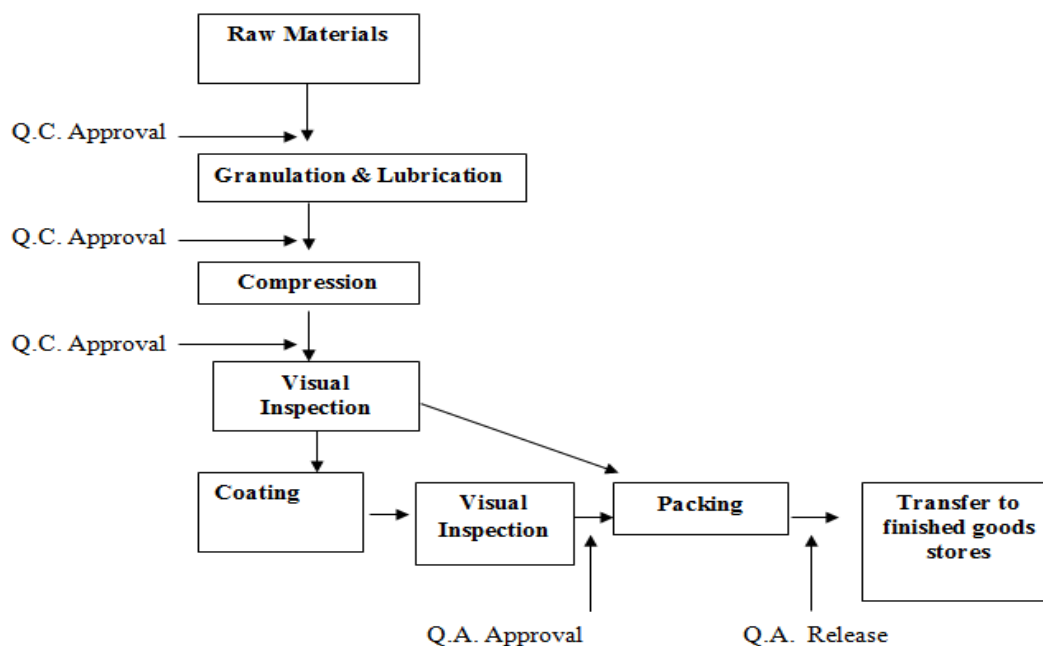
#### **Forms of Products**

The manufacturing process of formulations differs from product to product i.e. between Tablets, Capsules and syrups. However, it typically involves a fixed series of steps under controlled conditions of temperature, relative humidity, hygiene and specific classified conditions to manufacture the finished products. For each product, we identify several alternative specification of manufacturing process and choose the most appropriate for the situation, viz., stability during shelf life, economic, patent non-infringing, achieving desired quality standard, environment impact, etc. (It is then suitably packed in different packaging material like alu Strip Packing, Alu-Alu Blister, Alu-PVC Blister Packing, Bottle packing depending on the requirements of the product.



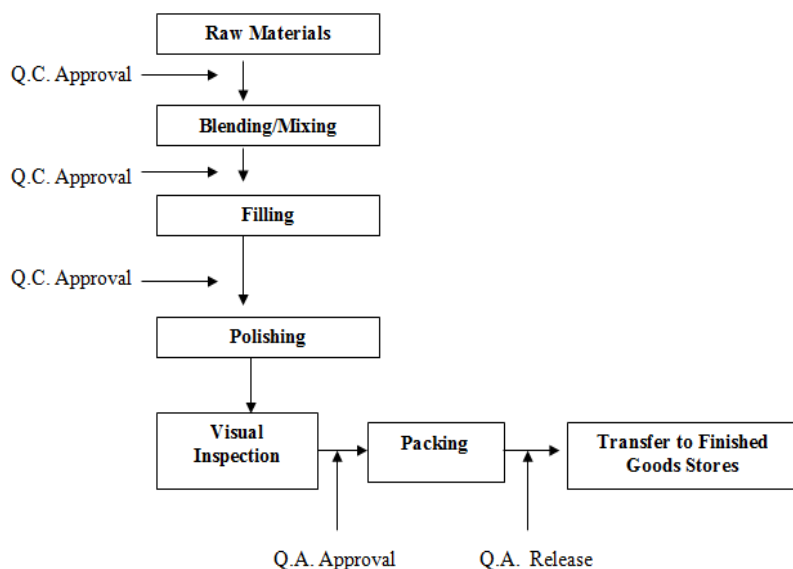
**Tablets:** The manufacture of tablets is a complex multi-stage process under which the materials change their physical characteristics a number of times before the final dosage form is produced. The tablets have been made by granulation; wet granulation and dry granulation. Numerous unit processes are involved in making tablets, including particle size reduction and sizing, blending, granulation, drying, compression, and coating.

### Brief Description of tablets Production Operations



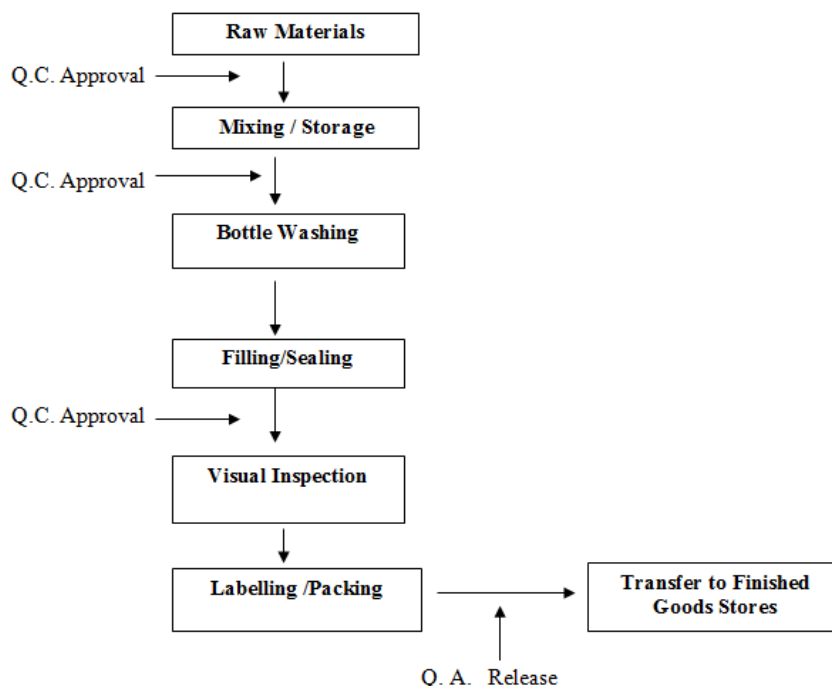
**Capsules:** We manufacture several varieties in hard gelatin capsules at our manufacturing facility. The empty shells are generally purchased from registered vendors and the filling and locking is done by us as per the specifications. Our Company has semi-automatic capsule filling machine which is suitable for filling powders and pellets. The machine is functional in use as they have capabilities for output and over rules handy operations. Capsule fillers are used to fill empty capsule shells with pre-determined quantity of powders, pellets, tablets. Capsules are normally fed into the machine, the filler then align, opens and accurately fills each capsule and recloses. Fillers generate minimum dust with lowest level of product loss. Non-separated, double loaded capsules and improperly inserted capsules are automatically rejected by machines to maintain the consistency in the quality of product. Most capsule fillers are characterized with fast changeover time to accommodate a variety of capsules in terms of shapes and size. Extreme quality check including temperature and humidity check is been done while manufacturing of capsules before sending the same to our packing department.

### Brief Description of Capsules Production Operations



**Syrups:** We have the capacity to manufacture 40,000 bottles of per day of Syrups. The categories of liquid orals include anti-biotic anti-gastric, cough syrups etc. The process involves the heating, mixing, filtration, filling, capping, sealing, checking, labeling, packing and then testing before release. Solid products are added by means of solid-liquid blenders. When the process is finished, the end product is filtered (if required) and sent to a storage tank. The product is transferred from the storage tanks to the filling machines by pumps.

### **Brief Description of Syrup Production Operations**



### **Details of Major Plant & Machinery**

Sr. No.	Equipments	Quantity in No.
1	Tablet Compression Machine	04
2	Coating Pan Machine (With Accessory)	03
3	Blister Machine	04
4	Strip Machine	03
5	Shifter	02
6	Double Cone Blender	02
7	Mass Mixer	01
8	Vaccum Tray Dryer	01
9	Tray Dryer	02
10	Fluid Bed Dryer	02
11	Multimill	01
12	Rapid Mixer Granulator	01
13	Octagonal Blender	02

Besides the above, this unit has a QC/QA that consists of the latest equipment like Karl Fischer Apparatus, Melting Point Apparatus, pH meters, Microscopes, Lab incubators, HPLC machines, U.V. Cabinet, Hot Air Oven, Dissolution Test apparatus, U.V. Spectrophotometer, Stability Chamber, and HPLC among others

In addition, we have latest equipment in our engineering department including, D.G. Set, R.O. Plant, Air Compressor, Air Handling Unit (AHUs), Dehumidifier, Effluent Treatment Plant and Water Treatment Plant among other

**Contract Manufacturing**

Our Company also manufactures Clavulanic based formulations such as Co-Amoxiclav, Cefixime-Clav and Cefpo-Clav formulations on contract manufacturing basis. These formulations are used to treat infections caused by certain bacteria. Amoxicillin works by killing the bacteria that is causing the infection. Clavulanic acid helps make the amoxicillin more effective. This medication is most commonly used to treat infections of the sinus, ear, lung, skin, and bladder. This combination basically comes under 'Antibiotics' therapeutic area.

We typically enter into contract manufacturing agreements for periods ranging from one to three years with the buyer. Under contract manufacturing arrangements we will be responsible for any kind of quality related issues in the products till expiry.

***Raw Materials and Packing materials***

Our manufacturing processes require a wide variety of raw materials. These raw materials include Azithromycin, Cefixime, Cefpodoxime, Amoxycillin, Clavulanic, Pantoprazole, Rabeprazole, Methylcobalamin, Aceclofenac, Montelukast, Atorvastatin, Rosuvastatin and Telmisartan are our major raw materials. We purchase these raw materials from a list of sources that we maintain, which has been approved by our internal quality control department following set standards as well as by our customers

We purchase primary packing materials such as foils from various suppliers domestically. We have supply arrangement with our Group Company i.e. Global Medisciences Limited for sourcing of the secondary packing materials such as empty printed board boxes. Global Medisciences Limited procures the raw material for secondary packaging and gets all the printing job work done on our behalf.

We carefully assess the reliability of all materials purchased to ensure that they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. We source our raw material through domestic as well as international markets on competitive prices. We mainly import APIs such as amoxicillin and clav potassium.

For nine months ended December 31, 2017 and fiscal year 2017 purchases from our top 10(ten) suppliers constituted 64.16% and 39.13% respectively of our total purchases during the said period. We do not have any long term contracts with our external suppliers and prices are typically negotiated for each purchase order. For risks relating to our sourcing requirements, please refer the section titled "*Risk Factors*" beginning on page 19.

***Quality Control and Assurance***

Our quality control and assurance department located at our Rudrapur unit, consisting of 13 employees as of December 31, 2017. Our quality control department prepares standard operating procedures for quality assurance, handles product quality related complaints, manages product quality deviations and change controls, risk analysis, internal audit, product recalls and ensures that the materials received from our approved list of vendors comply with our internal standards and specifications. Our manufacturing processes are subject to various internal quality and system checks, designed to ensure that our products meet required specifications.

Implementation of our quality policy is done through quality systems based on WHO GMP in conformity with national standards. Periodic self-inspections and audits are conducted to monitor the effective implementation of quality systems. We are assessed periodically in accordance with applicable GMP.

**Sales, Marketing and Distribution**

We have dedicated sales and marketing team and an extensive domestic distribution network. Our sales team comprised of 60 field force and medical representatives, as on December 31, 2017. For our distribution channel, we have more than 350 distributors as on December 31, 2017 for marketing and distributing our products across India. For Chronic division, we are supplying the products in the state of Gujarat and Madhya Pradesh through our own designated sales and marketing team.



## **Finecure Pharmaceuticals Limited**

Our understanding with distributors are based on the appointment letters issued by us to them having such terms and conditions contained in the said appointment letter such as minimum target and exclusive distribution right with respect to allocated territories etc. These tie-ups have been effective because they allow us to increase our revenue without requiring us to set up sales and distribution networks in domestic market.

For the international markets we enter into exclusive or non-exclusive marketing agreements for our products. Customarily, these agreements are exclusive or semi-exclusive in nature and have specific performance clauses for both the parties, wherein either party may terminate the agreements if the mutually agreed milestones are not fulfilled by either party. Pricing arrangement of such agreements depends on market dynamics and revised periodically. As we have gained substantial experience working closely with our supply agreement counterparties over the years, we believe that we have been able to establish prudent business practices and procedures to cater to the international markets.

### **Intellectual property and Formulation Research and Development (FR&D)**

As of December 31, 2017, we have a team of 2 personnel working in our intellectual property and formulation research and development department. Our FR & D Department is dedicated towards development of dosage form for the present generic molecules which would enhance its pharmacokinetic profile and bioavailability of the product. Formulation Development includes pre formulation studies, general screening of formulations and product development

Our FR & D Department has developed variety of dosage forms including oral disintegrating tablets (ODT), Sustained Release (SR), Modified release (MR), Extended Release (ER) and Controlled Release (CR).

In addition as on date of this Draft Red Herring Prospectus we had more than 100 registered trademarks including our flagship trademark "Finecure" and more than 80 applied trademarks under the Trademarks Act.

We have obtained registration for or have applied for registration under the Trademarks Act in respect of our major brands under various classes. For instance, as on the date of this Draft Red Herring Prospectus, from our top major brands, we have obtained registration for Azom, Finemox, Pepcare, Menuvit Tablet, Kofkul, Rosevast, Diabnerve etc. Further, we have made trademark applications in respect of Montey and Atvast which are among our top ten brands; these applications have been opposed and objected to by certain third parties. For further details please refer the section titled "*Government and Other Statutory Approvals*" beginning on page 351.

### **UTILITIES & INFRASTRUCTURE**

#### **Infrastructure Facilities**

Our registered office, corporate office and factory unit is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

#### **Power and Fuel**

We have arrangements for regular power supply at our factory premise. The total existing power requirement of our Rudrapur unit is around 410 KVA. The requirement of power is met by supply from Uttarakhand Power Corporation Limited.

In addition to the said sanctioned power, our company has installed 250 KVA DG Set and 125 KVA DG Set and 200000K Cal fuel heater as standby arrangement in Rudrapur manufacturing unit, which is used in case of need/shortage or requirement of additional power and fuel.

#### **Water**

Our manufacturing unit's current water requirement for carrying out manufacturing operations, human consumption and general needs of the employees is met by Borewell. As high purity water is used in the pharmaceutical industry, our Company has installed water purification / processing system which ensures required purity of the water. Further our registered office and corporate office has adequate water supply arrangements for human consumption purpose.

## **Air Handling Unit**

We have installed air handling units to avoid cross contamination and to maintain relative humidity and temperature of the manufacturing area. Clean Room AHUs are provided with appropriate pre filters and terminal High Efficiency Particulate Arrestance (HEPA) Air Filters. The clean rooms are maintained at appropriate air pressures to avoid contamination and relative humidity.

## **Effluent treatment facilities**

During the manufacturing process of formulations varied effluents and contaminants are produced. The effluent treatment plants are used in the removal of these effluents, debris, dirt, grit, pollution, toxic, non-toxic materials, polymers etc. Our Company has installed infrastructure to ensure adequate treatment of all effluents at its manufacturing facility. Our Company also believes in complying with common Effluent Treatment Plant regulations in relation to the discharge of treated effluents, and common treatment, storage and disposal facilities regulations with respect to the disposal of hazardous wastes. Our company has also received approval from UEPPCB for its respective units and the disposal is as per the conditioned laid down by them for granting its consent and other general standards notified from time to time.

## **Export and Export Obligations**

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding export obligations.

## **Human resource**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As of December 31, 2017, we had a total of 199 employees. The table below shows the functional breakdown of our employees

<b>Function</b>	<b>Number of Employees</b>
Sales & Marketing	60
Formulation and Development	2
Purchase	4
Billing and Distribution	14
Finance, Accounting and Legal	13
Administration & HR	8
Manufacturing Facility employees	67
Others	13
Legal	1
Regulatory Affairs	4
Quality Assurance	6
Quality Control	7
<b>Total</b>	<b>199</b>

In addition to our own employees, our operations also involve additional workers who are hired on a contract labour basis.

We have encountered no significant work disruptions to date and we believe that we have maintained good relations with our employees.

## **Collaborations**

The Company has so far not entered into any technical or financial collaboration agreement.

**Information Technology:**

Our IT infrastructure is vital to our business and operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations and identifying emerging technologies which may be beneficial to our operations. We have implemented an ERP-SAP system to handle purchase of goods, services, inventory, production planning, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, quality management and other business functions. We have also implemented Microsoft Sharepoint and Document Management System (DMS).

**Competition**

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges from both organized and unorganized sector. The primary competitive factors consist of quality, price, size of product portfolio and customer service. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from local companies, multinational corporations and companies from other emerging markets operating in such markets.

We compete with our competitors on the basis of product quality, brand image, price and reliability. We continuously strive to increase our distribution channel to increase our domestic presence and for increasing our global reach. We intend to continue compete vigorously to capture more market share and manage our growth in an optimal way by improving our brand image, increase our product offerings, satisfying customer's demands, achieving operating efficiencies, etc.

**Health and Safety**

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facility or under our management.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We believe we are in compliance with applicable health and safety laws and regulations. We also believe that our manufacturing facility possesses adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution.

**Corporate Social Responsibility**

We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements.

**Insurance:**

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies. We have taken Standard Fire & Special Perils Policy and burglary insurance for a substantial majority of our assets at our office, factory and warehouse. These policies also insure us against the risk of earthquakes (fire and shock). We also have motor insurance policy, Marine Cargo Open Policy and Key man insurance policy that covers our products while in transit and any economic loss. Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

**Property:**
**Owned Properties:** - Followings are the details of owned properties of our Company

Sr. No.	Address of Property	Area	Name of the Seller / Lessor/ Vendor/ Assignor	Consideration (₹ in Lakhs)	Purpose	Date of Agreement/ Deed
1.	Rudrapur Factory	3,750 Sq Mtrs	Mr. Pratap Singh and Mr. Omprakash	7.41	Factory	Sale Deed dated May 17, 2005
2.	Mondeal Heights Unil No. A-1401, 14th Floor	983.19 Sq Mtrs	Safal Realty Private Limited	625.37	Investment Property for office	Sale Deed dated May 09, 2016
3.	Mondeal Heights Unit No. A-1201, 12th Floor	983.19 Sq Mtrs	Safal Realty Private Limited	552.44	Investment Property for office	Sale Deed dated May 09, 2016
4.	Survey No. 281, Villa No. 91, Kings Villa, Vill: Adroda, Tal: Bavla, Ahmedabad	2,287.68 Sq Mtrs	Varshaben Ketanbhai Shah, Developer: M/s Kingston Infracon	100.00	Guest house purpose	Sale Deed dated March 19, 2013
5.	Mondeal Heights Unil No. A-1102, 11th Floor	157.84 Sq Mtrs	Safal Realty Private Limited	88.90	Investment Property for office	Sale Deed dated May 09, 2016
6.	Office No 306, Third Floor, Third Eye One Complex, Opposite. Havmor Restaurant, Panchvati, C.G. Road, Ahmedabad - 380006	271.55 Sq Mtrs	Sonal Sanjay Akruwala, Sanjay Damodardas Akruwala	86.00	Corporate Office	Sale Deed dated March 19, 2013
7.	Block No. 319/5, mouje: Kerala, Taluka: Bavla, Sub: Dist. Dholka, Dist: Ahmedabad	10,178 Sq Mtrs	Kasheeben Patel, Madhuben Jagjivanbhai Patel, Kundanben Jagjivanbhai Patel, Harshad bhai Jagjivanbhai Patel	56.49	Investment Property	Sale Deed dated April 20, 2010
8.	Sector -01, Open Plot No. 281, Pushparaj Village	-	Ravi (Hansol) Non-Trading corporation	50.00	Investment Property	Sale Deed dated May 10, 2010
9.	Block No. 319/2, mouje: Kerala, Taluka: Bavla, Sub: Dist. Dholka, Dist: Ahmedabad	6,475 Sq Mtrs	Shri Rohitkumar Bhailalbhai Patel, Shri Ashokkumar Bhailalbhai Patel, Shri Umeshkumar Bhailalbhai Patel	35.94	Investment Property	Sale Deed dated April 20, 2010

**Leased Properties:** - Followings are the details of leased properties of our Company

(₹ in Lakhs)

Sr. No.	Details of the Property	Name of the Seller / Lessor/ Vendor/ Assignor	Consideration (₹ in Lakhs)	Use	Leased/ License deeds details
1.	Plot No. PF-5+6 at Sanand-II Industrial Estate, Sanand	Gujarat Industrial Corporation (GIDC)	391.32	Sanand Manufacturing facility	Form of agreement entered in the month of December, 2016 for a period of 99 years
2.	612 to 615, Anand Mangal Complex - III, Nr. Parimal Garden, Rajnagar Club Lane, Ellisbridge, Ahmedabad – 380 006	Ms. Pooja Rajgarhia, Mr. Vishal Rajgarhia, Ms. Priti Rajgarhia	0.15 p.m.	Registered Office	Agreement dated October 10, 2017 for a period of 11 months starting from November 01, 2017 and valid up to October 31, 2018
3.	Office No 303, 3rd Floor, 3rd Eye One Complex, C.G. Road, Ahmedabad	Global Medisciences Limited	0.14 p.m.	Administrative Office	Agreement dated September 05, 2017 for a period of 11 months starting from September 01, 2017 and valid up to September 01, 2018
4.	Rudrapur Godown Plot No. 25, Avas Vikas, Rudrapur Dist. U.S. Nagar, Uttarakhand	Ms Usha Bansal	0.21 p.m.	Godown	Consent for Renewal of lease agreement for a period of 11 months starting from June 07, 2017 and valid up to May 06, 2018

## KEY REGULATIONS AND POLICIES

*The following description is a summary of the relevant sector specific regulations and policies, as prescribed by the Government of India or State Governments which are applicable to our Company and our business. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### **I. Industry Regulations**

#### ***The Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")***

The MSMED Act seeks to provide for the promotion and development along with facilitating and enhancing competition among micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

- (i) A micro enterprise, where the investment in plant and machinery does not exceed ₹ 25.00 Lakhs;
- (ii) A small enterprise, where the investment in plant and machinery is more than ₹ 25.00 Lakhs but does not exceed ₹ 500.00 Lakhs; or
- (iii) A medium enterprise, where the investment in plant and machinery is more than ₹ 500.00 Lakhs but does not exceed ₹ 1,000 Lakhs.

The MSMED Act also stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

#### ***The Drugs and Cosmetics Act, 1940 ("The DCA, 1940") and the relevant rules***

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics. In view of the provisions of the DCA, no person can import, manufacture, distribute, stock and sell any drugs and cosmetics, except under the license granted for respective operations by the authority notified under the DCA. The DCA prescribes the standards for purity, identity and strength of drugs and cosmetics while also prohibiting the import of certain categories of drugs and cosmetics. The DCA mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authority. The DCA provides for the Ayurvedic Siddha and Unani Drugs Technical Advisory Board to advise the Central and State Governments on technical matters. The legislation provides the procedure for testing and licensing of new drugs. These procedures involve obtaining a series of approvals for different stages at which the drugs are tested, before the Drug Controller General of India ("DCGI") grants the final license to allow the drugs to be manufactured and marketed. At the first instance, an application is made to the DCGI, an authority established under the DCA. The DCGI issues a no objection certificate upon examining the medical data, the chemical data and the toxicity of the drug. This allows the drug to move on to the next stage of testing at the central drug laboratories. At the central drug laboratories the drug is subjected to a series of tests for its chemical integrity and analytical purity and if it meets the standards required by the authority, the authority issues a certificate in that respect.

The Drugs and Cosmetics Rules, 1945 ("DC Rules") have been enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a license is required, and prescribe the form and conditions of such licenses, the authority empowered to issue the same and the fees payable thereof. The DC Rules provide for the cancellation or suspension of such license in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the license is issued is not complied with. The DC Rules further prescribe the manner of labeling and packaging of drugs. The DC Rules

lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

***The Essential Commodities Act, 1955 ("ECA")***

The ECA provides for the control of the production, supply and distribution of, and trade and commerce in certain commodities. The ECA gives powers to the Government amongst others, to control production, supply and distribution of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. The Collector of the District or the concerned authority has the power to confiscate the commodity if it contravenes the order.

***The Drugs Price Control Order, 2013 ("the DPCO, 2013")***

The DPCO, 2013 was issued by the Central Government in exercise of its powers under the Essential Commodities Act, 1955. As per the provisions of the DPCO, 2013 the government may, in order to achieve adequate availability and to regulate the distribution of drugs, in cases of emergency or in the interest of the public, direct any manufacturer of any active pharmaceutical ingredient or bulk drug or formulation to increase the production and to sell such active pharmaceutical ingredient or bulk drug to such other manufacturer(s) of formulations and to direct formulators to sell the formulations to institutions, hospitals or any agency as the case may be. The DPCO, 2013 also lays down the formulae for calculation of ceiling prices and retail prices of drug formulation. Section 7 of the Essential Commodities Act, 1955 provides for the list of certain price-controlled drugs and the penalty for contravention of the provisions of the DPCO, 2013. The DPCO, 2013 also provides that when an existing manufacturer of a drug with dosages and strengths as specified in National List of Essential Medicines launches a new drug, such existing manufacturer is required to apply for prior price approval of such new drug from the government. The DPCO, 2013 also prescribes certain instances in which case the provision of the DPCO, 2013 will not be applicable, for instances, in the event a manufacturer produces a new drug patented under the Indian Patent Act, 1970 through a product patent which has been developed through indigenous research and development, the DPCO, 2013 will not be applicable to such drug for a period of five years from the date of commencement of its commercial production in the country.

***National Pharmaceuticals Pricing Policy, 2012 ("2012 Policy")***

The National Pharmaceuticals Pricing Policy, 1994 ("**1994 Policy**") has been replaced by the drug policy of 2012 Policy and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines-2015 declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price. The 1994 Policy regulated the prices based on the economic criteria/market share principles. However, as per the 2012 Policy, the prices would be regulated based on the essential nature of the drugs. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

### ***The National List of Essential Medicines, 2015***

The National List of Essential Medicines, 2015 has been introduced to replace the National List of Essential Medicines, 2011. This new list has added a total number of 160 medicines and has deleted 70 medicines, which now contains a total of 376 medicines. The essentiality of a medicine has been considered in terms of its dosage form and strength.

### ***Food Safety and Standard Act, 2006 ("FSSA")***

The FSSA was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("**Food Authority**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the State Governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 ("**FSSR**") which were notified in the Gazette of India dated May 5, 2011 and have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of commissioner of food safety, the food safety officer and the food analyst and procedures of taking extracts, seizure, sampling and analysis. The FSSA lays down penalties for various offences (including recall procedures). The Food Authority has also framed the following food safety and standards regulations:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011

### ***Legal Metrology Act, 2009 ("L.M. Act")***

The L.M. Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

### ***The Sales Promotion Employees (Conditions of Service) Act, 1976 ("Sales Promotion Act")***

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

## **II. *Environment Legislations***

### ***Environment (Protection) Act, 1986 ("EP Act")***

The main objective of this Act is to provide the protection and improvement of environment (which includes water, air, land, human being, other living creatures, plants, micro-organism and properties) and for matters connected therewith. The EP Act provides power to make rules to regulate environmental pollution, to notify standards and maximum limits of pollutants of air, water, and soil for various areas and purposes, prohibition

and restriction on the handling of hazardous substances and location of industries. The Central Government is empowered to constitute authority or authorities for the purpose of exercising of performing such of the powers and functions, appoint a person for inspection, for analysis or samples and for selection or notification of environmental laboratories. Such person or agency has power to inspect or can enter in the premises or can take samples for analysis.

***The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both. The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter-alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

***The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")***

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

***Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the relevant state pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

***Public Liability Insurance Act, 1991 ("Public Liability Act")***

The Public Liability Act as amended imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandates that the employer has to contribute towards the

Environment Relief Fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the issuer.

### **III. Labour Legislations**

#### ***Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")***

CLRA regulates the employment of contract labour in certain establishments and provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent / casual work in which 20 or more workmen are employed on any day of the preceding 12 months as contract labour.
- to every contractor who employ or employed on any data of the preceding 12 months, 20 or more workmen.

Every establishment must, within the specified period, apply to the registering officer for registration of the establishment and obtain a certificate of registration containing such particulars as may be prescribed. Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a license issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein. Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first-aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible.

#### ***Payment of Wages Act, 1936***

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

#### ***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. It also contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

#### ***Child Labour (Prohibition and Regulation) Act, 1986***

The Child Labour (Prohibition and Regulation) Act, 1986 seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act.

#### ***Payment of Gratuity Act, 1972 ("PG Act")***

The PG Act was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the PG Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the

controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority.

The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

#### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form (Form D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

#### ***Equal Remuneration Act, 1979***

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide equal pay and equal work as envisaged under Article 39 of the Constitution.

#### ***Factories Act, 1948***

The Factories Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

#### ***Industrial Disputes Act 1947***

The Industrial Disputes Act 1947 lays down the machinery and procedure for investigation, settlement and resolution of Industrial disputes in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

#### ***Industrial (Development and Regulation) Act, 1951***

The development and regulation of certain industries are governed under the Industrial (Development and Regulation) Act, 1951. For the purpose of advising on matters relating to development and regulation, the Central Government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

The suits pertaining to this Act shall be tried by no court inferior to that of the presidency magistrate or magistrate of first class. The Central Government has sole power to grant exemption in certain cases. The First schedule to the Act mentions the list of industries to which the act applies.

### ***Workmen's Compensation Act, 1923***

The Workmen's Compensation Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a wilful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### ***The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ('Employees Provident Fund and Miscellaneous Provisions Act')***

The Employees' Provident Funds and Miscellaneous Provisions Act is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- a) The Employees' Provident Fund Schemes, 1952;
- b) The Employees' Pension Scheme, 1995; and
- c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The Central Government has constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred by Employees' Provident Funds and Miscellaneous Provisions Act.

### ***Employees State Insurance Act, 1948 ('ESI Act')***

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***Maternity Benefit Act, 1951***

The Maternity Benefit Act, 1951 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('SHWW Act')***

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography

or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹50,000/-

#### **IV. Tax Related Legislations**

##### ***The Goods and Services Tax Act, 2017 ("GST Act")***

The GST Act levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bounds together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

##### ***Income Tax Act, 1961 ("IT Act")***

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

##### ***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

#### **V. Intellectual Property Laws**

##### ***Trademarks Act, 1999***

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in

accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### ***The Copyright Act, 1957 ("The Copyrights Act")***

The Copyright Act governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies.

## **VI. Other Legislations**

### ***The Companies Act, 2013 ("CA 2013")***

The Companies Act, 2013 has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Act primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

### ***The Indian Contract Act, 1872***

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, execution, implementation of the provisions of a contract and effects of breach of contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which a contract will be entered into, executed and breach enforced. It contains framework of rules and regulations that govern formation and performance of contract.

### ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complementary to the provisions of the Contract Act and the Transfer of Property Act, as it applies to both movable property and immovable property. It applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### ***The Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

***The Competition Act, 2002***

The Competition Act, 2002 is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and ensure freedom of trade in India. The act deals with the prohibition of agreements and anti-competitive agreements. No enterprise or group shall abuse the dominant position in various circumstances as mentioned in the Act. The prima facie duty of the Competitive Commission of India ("CCI") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The CCI shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been appreciable adverse effect on the competition of India. In case a person fails to comply with directions of CCI and the Director General, he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of ₹ 1Crore.

***The Consumer Protection Act, 1986***

The Consumer Protection Act aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The Consumer Protection Act provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

***The Registration Act, 1908***

The Registration Act, 1908, as amended, has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory to bring the transaction to effect and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

***The Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899 as amended stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from State to State.

***The Foreign Exchange Management Act, 1999***

The Foreign Exchange in India is primarily governed by the provisions of FEMA which relates to regulations primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. As laid by the FEMA Regulations no prior consent and approvals are required from the Reserve Bank of India for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and respect of investment in excess of specified sectoral limits under the automatic route, consent may be required from FIPB and/or the RBI. The RBI in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside of India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and the Foreign Exchange Management (Export of Good and Service) Regulations, 2000 for regulations on exports of goods and services.

***Foreign Trade (Development & Regulation) Act, 1992***

The Foreign Trade (Development & Regulation) Act, 1992 provide for regulation and development of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. The Import-Export code number and license to import or export includes a custom clearance permit and any other permission issued or granted under this Act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint the Director General for Foreign Trade (DGTF) for the purpose of import-export policy formulation. If any person makes any contravention to law or commits any economic offence or import/exports in a manner prejudicial to trade of India or to the interest of other person engaged in import or export then there shall be no Import Export granted by the Director-General to such person and if in case granted then shall remain suspended or cancelled. Provision of search and seizure of Code of Criminal Code, 1973 shall apply to every search and seizure under this Act. The EXIM Policy is a set of guidelines and instructions set by the DGTF in matters related to the export and import of goods in India. This policy is regulated under the said Act. The DGTG is the main governing body in matters related to the EXIM Policy.



## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Brief History of our Company**

Our Company was incorporated as 'Finecure Pharmaceuticals Limited' under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U24230GJ2005PLC045724.

Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia, Mr. Vishal Rajgarhia, Ms. Priti Agarwal, Ms. Ushadevi, Ms. Pooja Pansari and Mr. Rajendrakumar Vishwanath Chaudhary were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company's business profile, activities, products, technology, market segments, the standing of our Company with reference to prominent competitors in connection with our products, geographical presence, major suppliers and customers, environment issues please refer to chapters titled "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 110, 99 and 327, respectively.

For details of the management of our Company and its managerial competence, "*Our Management*" beginning on page 150.

### **Address of the Registered Office**

**Finecure Pharmaceuticals Limited**  
612 to 615 Anand Mangal- Complex III,  
Nr. Parimal Garden,  
Rajnagar Club Lane, Ellisbridge,  
Ahmedabad, Gujarat, India- 380 006.

### **Changes in Registered Office**

There has been no change in the registered office of our Company since incorporation.

### **Main Objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are as follows:

1. *To carry on in India or elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, pure, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply and to act as agent, broker, adatia, representative, consultant, collaborator, stockiest, liasioner, middleman, job worker or otherwise to deal in all types, descriptions, specifications, strengths and applications of pharmaceutical, cosmetics, food products and chemical products of medicaments used for treatment, cure and healthcare of human beings and animals including, basic drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological & immunological chemicals, contraceptives, surgicalplaster of Pareis, yeasts, medical gases, diagnostic agents, oils and tinctures, medicinal products in all forms such as capsules, tablets, powders, ointments, syrups, ingestible, pills, fluids, granules, sprayers, inhalers, mineral waters, droppers, removers, medicines, poultry medicines, herbal products, their by-products, intermediates, residues, mixtures and compounds.*

The main object as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

**Changes in the Memorandum of Association**

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
1.	The authorized share capital of our Company was increased from ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each to ₹ 30,00,000 divided into 3,00,000 equity shares of ₹ 10 each.	June 9, 2005	EGM
2.	The authorized share capital of our Company was increased from ₹ 30,00,000 divided into 3,00,000 equity shares of ₹ 10 each to ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each.	December 23, 2005	EGM
3.	The authorized share capital of our Company was increased from ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each to ₹ 100,00,000 divided into 10,00,000 equity shares of ₹ 10 each.	June 26, 2006	EGM
4.	The authorized share capital of our Company was increased from ₹ 100,00,000 divided into 10,00,000 equity shares of ₹ 10 each to ₹ 150,00,000 divided into 15,00,000 equity shares of ₹ 10 each.	September 1, 2006	EGM
5.	The authorized share capital of our Company was increased from ₹ 150,00,000 divided into 15,00,000 equity shares of ₹ 10 each to ₹ 151,00,000 divided into 15,10,000 equity shares of ₹ 10 each.	October 19, 2006	EGM
6.	Alteration of Clause III (A) of the Memorandum of Association, by replacing the title/heading of Clause III (A) from "THE MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS" to "THE OBJECT TO BE PURSUED ON INCORPORATION IS".	September 30, 2016	AGM
7.	Alteration of Clause III (B) of the Memorandum of Association, by replacing the title/heading of Clause III (B) from "THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE AND THE SAME ARE SUBJECT TO PROVISIONS OF COMPANIES ACT AND ANY OTHER LAWS, IF ANY, APPLICABLE" to "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE."	September 30, 2016	AGM
8.	Clause III (C) of the Memorandum of Association was deleted.	September 30, 2016	AGM
9.	Alteration of Clause III (B) of the Memorandum of Association, by deleting the existing clauses under Clause III (B) of the Memorandum of Association of the Company and inserting new clauses in its place.	September 30, 2016	AGM

*1. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose of, carry out or alter as may be necessary or convenient any lease-hold or freehold lands, movable or immovable properties, including building, workshops, warehouse, stores, easement or other rights, machineries, plant, work, stock in trade, industrial colonies, conveniences together with all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, townships and other facilities or properties which may seem calculated directly or indirectly to advance the company's objects and interest either in consideration of a gross sum of a rent charged in cash or services.*

*2. To apply for, purchase, acquire, and protect, prolong and renew in any part of the world any patents, patent rights, brevets invention, licences, protections and concessions which may appear likely to be advantageous or useful to the company and to use and turn to account and or grant licences or privileges in respect of the same and*

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p><i>to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the company may acquire or proposes to acquire.</i></p> <p><i>3. To establish, provide, maintain and conduct or subsidise research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and devices and/or to sponsor or draw out programmes for promoting scientific, technical, social, economic and educational research and development and assist in the execution and promotion of such programmes either directly or through an independent agency or in any other manner, directly or indirectly and to secure such approvals, exemptions and/or recognitions under the Income Tax Act, 1961 and any other law for the time being in force and to promote studies and researches both scientific and technical investigations, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the award of scholarships, prizes, grants to students and generally to encourage, promote inventions of any kind that may be considered useful to the company.</i></p> <p><i>4. To form incorporate, promote, purchase, acquire, undertake or takeover, the whole or any part of the business, profession, goodwill, assets, properties (movable or immovable), contracts, agreements, rights, privileges, effects, obligations and liabilities of any persons, firm or company or companies carrying on all or any of proposing to carry on or ceasing to carry on any business, profession or activities which the company is authorized to carry on or the acquisition of all or any of the properties, rights and assets of any company or subject to the provisions of the Companies Act, 2013, the control and management of the company or the undertaking of the acquisitions of any other object or objects which in the opinion of the Company could or might directly or indirectly be beneficial or advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation or takeover or acquisition and to remunerate any person, firm or company in any manner, it shall think fit for services rendered or to be rendered for and in respect of such promotion or incorporation or takeover or acquisition or in obtaining subscription of or the placing of any shares, stocks, bonds, debentures, obligations or securities of any such company or companies, subject to the provisions of the Companies Act, 2013.</i></p> <p><i>5. Subject to the provisions of applicable law to procure registration, incorporation or recognition of the Company in any country state or place and to establish and regulate agencies for the purpose of the company's business and to apply or join in applying to any parliament, local government, municipal or other authority or body, Indian or foreign for any rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.</i></p> <p><i>6. To enter into partnership, LLP or any arrangement for sharing or pooling profits, amalgamations, union of interest, co-operation, joint venture, reciprocal concessions or to amalgamate with any person or company carrying on or engaged in or about to carry on or engaged</i></p>		

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p><i>in any business, undertaking or transactions which this company is authorized to carry on or engaged in any business, undertaking or transactions which may seem capable of being carried on or conducted, so as directly or indirectly, to benefit the company.</i></p> <p>7. <i>To acquire or amalgamate, absorb or merge with any other company or companies or to form, promote subsidiaries having objects altogether or in part similar to those of this company.</i></p> <p>8. <i>To manage, sell, dispose off, let, mortgage, exchange, redeem, underlet, grant leases, licences, easements or turn to account or otherwise dispose off in any manner the whole of the undertaking or any properties (movable or immovable), assets, rights, and effects of the Company or any part thereof, on such terms and for such purposes and for such consideration as the company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this Company and in the event of winding up of the Company to distribute among the members in specie or kind any properties or assets of the Company or any proceeds of sale or disposal of any properties of the Company, subject to the provisions of the Companies Act, 2013.</i></p> <p>9. <i>To enter into arrangements with any government or authorities municipal, local or any persons or company in India or abroad that may seem conducive to the objects of the company or any of them and to apply for, secure, acquire, obtain from such government, authorities, persons or company any right, privileges, powers, authority, charters, contracts, licences, concessions, grants, decrees, rights which the Company may think desirable.</i></p> <p>10. <i>To pay all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and charges in connection therewith and/ or make donations (by cash or other assets) to remunerate by allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture-stocks or securities of this or any other company or in any other manner, whether out of the Company's capital or profits to any person, firm, company assisting to place or guaranteeing the subscription of other security of the company in or about the formation or promotion of the Company or for any other reason which the company may think fit subject to the provisions of the Companies Act, 2013.</i></p> <p>11. <i>To promote or join in the promotion of any company or companies including subsidiary companies (wholly owned or partly owned) for the purpose of acquiring all or any of the properties, rights and liabilities of the company or for any other purposes which may seem directly or indirectly calculated to benefit the Company and to underwrite shares and securities therein.</i></p> <p>12. <i>To do all or any of the above things in India or in any part of the world as principals, agents, contractors or trustees and either alone or in conjunction with others</i></p> <p>13. <i>Subject to provisions of Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India, to borrow or raise money or to take money on loan on interest from banks, financial institutions, government agencies, co-operative</i></p>		

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p><i>societies, persons, companies, firm, in such manner as the Company may think fit and in particular by the issue of debentures or debenture-stock, perpetual including debentures or debenture stock convertible into shares of this Company or perpetual annuities and in security of any such money borrowed, raised or received to mortgage, pledge, hypothecate, or charge the whole or any part of the properties (movable or immovable) assets or revenue of the Company present or future including its uncalled capital by special assignments or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be deemed expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on any banking or Insurance business which may fall within the purview of Banking Regulations Act, 1949 or the Insurance Act, 1938, respectively.</i></p> <p><i>14. To make, draw, accept, endorse, discount, execute, negotiate, assign, and issue cheques, promissory notes, drafts, hundies, bonds, railway receipts, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instrument.</i></p> <p><i>15. To guarantee the payment of money secured or unsecured by or payable under or in respect of any promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, central, state, municipal, local or of any person whomsoever whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations of any person, firm or company and to guarantee the repayment of loan with interest availed from Financial institution/s, Banks, Private Financiers, availed by any person, company, firm, society, trust or body corporate.</i></p> <p><i>16. To guarantee or become liable for the performance of the obligations and the payment of interest on any debentures or securities of any company, corporation or association or a persons in which such guarantees may be considered beneficial or advantageous, directly or indirectly to further the objects of the Company or the interest of the members</i></p> <p><i>17. Subject to the provisions of the Companies Act, 2013 to accumulate funds and to invest or deal in with and invest money belonging to the Company in any deposits, shares, stocks, debentures, debenture-stocks, kinds obligations, or securities by original subscription, participation in syndicates having similar objects and to tender, purchase, exchange and to subscribe for the same and to guarantee the subscription thereof and to exercise and enforce all the rights and powers conferred by or incidental to the ownership thereof.</i></p> <p><i>18. To open and operate current, overdrafts, loan, cash credit or deposit or any other type of accounts with any banks, company, firm, association or person.</i></p> <p><i>19. To establish, continue and support or aid in the establishment of cooperative societies, association and other institutions, funds, trusts, amenities and conveniences calculated to benefit or indemnify or insure employees or ex-employees of the Company or Directors or</i></p>		

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
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*ex-Directors of the Company or the dependants or connections of such persons and at its discretion to construct, maintain, buildings, houses, dwelling or chawls or to grant bonus, pensions and allowance and to make payments towards insurance and to pay for charitable or benevolent objects, also to remunerate or make donations by cash or other assets or to remunerate by the allotment of shares credited as fully or partly paid for services rendered or to be rendered in placing or assisting to place any shares in the Company's capital or any debentures, debenture-stock or other securities of the company in or about the formation or promotion of the Company or for the conduct of its business.*

*20. To undertake, carry out, promote and sponsor rural or semi urban or urban development including any programme for promoting the social and economic welfare or uplift of the public in any such area and to incur any expenditure on any programme of rural, semi-urban and urban development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.*

*21. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for the discharging of social and moral responsibilities of the Company to the public or any section of the public as also any activities to promote national welfare or social, economic and without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activities for publication of any books, literature, newspapers or for organizing lectures or seminars likely to advance these objects or for giving merit awards or scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, funds or trusts having any one of the aforesaid objects as one of its objects by giving donations and/or contributions, subsidies and/or grants or in any other manner.*

*22. To donate, gift, contribute, subscribe, promote, support or aid or assist or guarantee money to charitable, benevolent, religious, scientific, national, public or to other institutions, funds or objects, or for any public, general or other objects and to accept gifts, bequests devices and donations from any firm, company or persons as may be thought appropriate or conducive to the interest of the Company.*

*23. To create any depreciation fund, reserve funds, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures, redeemable preference shares or gratuity or pension or for any other purpose conducive to the interest of the Company.*

*24. Subject to provisions of the Companies Act, 2013, to place, reserve, distribute, as dividend or bonus or to apply as the Company may from time to time determine any moneys received in payment of dividend or money arising from the sale of forfeited shares or any money received by way of premium on shares or debentures issued at a premium by the Company.*

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p>25. <i>To engage, employ, train, either in India or elsewhere, suspend and dismiss any agents, managers, superintendents, assistants, clerks, coolies other employees and to remunerate any such persons at such rate as shall be thought fit and to grant pensions or gratuities to any such person or to his widow or children and generally to provide for the welfare of employees.</i></p> <p>26. <i>To refer or agree to refer any claims, demands, disputes or any other questions by or against company or in which the company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third party to arbitration in India or at any place outside India and to observe, perform and to do all acts, deeds, matters and things to carry out or enforce the awards.</i></p> <p>27. <i>To use trademarks, trade names or brand names for the business activities products and goods and adopt such means of making known the business and products in which the company is dealing as may seem expedient and in particular by advertising on radio, television, newspapers, magazines, periodicals, by circulars, by opening stalls and exhibition, by publication of books and periodicals, by distributing samples and by ranting prizes, rewards and awards.</i></p> <p>28. <i>To undertake the payment of all rent and the performance of all covenants, contracts, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or acquired by the Company.</i></p> <p>29. <i>To become members of or to enter into any agreement with any institution, association or company carrying on or which may carry on research and other scientific work of investigation in connection with any business of Company or other trades or industries allied therewith or ancillary thereto and to acquire shares in any such institutions, association or company and contribute towards the capital or funds, thereof.</i></p> <p>30. <i>To undertake and execute any trust which may be beneficial to the Company directly or indirectly.</i></p> <p>31. <i>To ensure properties, assets, undertakings, contracts, guarantees, liabilities, risks or obligations of the Company of every nature and kind.</i></p> <p>32. <i>To receive donations, gifts, contributions, subsidies, grants, and other mode of receipts of money for the furtherance of the objects of the Company.</i></p> <p>33. <i>To invest the funds of the Company not immediately required in Government or Semi Government corporations, companies or firms.</i></p> <p>34. <i>To pay a share in the profit of the company or commission to brokers sub-agents, agents or any other company, firm or person including the employees of the Company as may be thought fit for services rendered to the Company.</i></p> <p>35. <i>To employ experts, to investigate and examine into the conditions prospects, value character and circumstances of any business</i></p>		

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p>concerns and undertaking and generally of any assets, concessions, properties and/or rights.</p> <p>36. To open establish, maintain and to discontinue in India or overseas any offices, branch offices, regional offices, trade centers, exhibition centers, liaison offices and to keep local or resident representative in any part of the world for the purpose of promoting the business of the company.</p> <p>37. To enter into arrangement for technical collaboration and/or other form of agreement including capital participation with a foreign or Indian company for the purpose of manufacture, quality control and product improvements and for marketing of the products which the Company is empowered to manufacture and/or market and to pay or to receive for such technical assistance or collaborations, royalties or other fees in cash or by allotment of shares of the Company credited as paid up or issue of debentures or debentures stock, subject to the provisions of laws for the time being in force.</p> <p>38. To secure contracts for supply of the products manufactured by the company to military, civil and other departments of the government or semi-government bodies, corporations, public or private contracts, firms or persons and to recruit trained persons including persons retired from defense, police, military and paramilitary forces to employ detectives.</p> <p>39. To take part in the management, supervision and control of the contracts, rights, turnkey jobs, operations or business of any company or undertaking entitled to carry on the business which the company is authorized to carry on.</p>		
10.	<p>Clause IV of the Memorandum of Association was altered by replacing the existing Clause IV with the following new Clause</p> <p><i>"The liability of the members is limited and this liability is limited to the extent of amount unpaid on the shares held by them"</i></p>	September 30, 2016	AGM
11.	<p>The authorized share capital of our Company was increased from ₹ 151,00,000 divided into 15,10,000 equity shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each.</p>	November 06, 2017	EGM

### **Total Number of shareholders of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has 9 (nine) shareholders. For further details on the shareholding of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 74.

### **Major events and milestones of our Company**

The table below sets forth the key events in the history of our Company:

Calendar Year	Details
2005	Incorporation of our Company
2007	Set up manufacturing facility at Rudrapur, Uttarkhand
2010	Qualified for ISO 9001, 14001, ISO 18001 and ISO 22000
2011	The company received NSIC-Crisil Rating MSE*1 that indicates 'highest credit worthiness in relation to other MSMEs'.

Calendar Year	Details
2012	Company achieved a turnover of above ₹ 2000 Lakhs
2012	Certificate of Good Manufacturing Practice as per World Health Organisation TRS guidelines issued by Drug Licensing Authority, Uttarakhand, India
2013	Became a dividend paying company from financial year 12-13
2014	Company launched its Cardio Diabetic Division
2015	Company achieved a turnover of above ₹ 6500 Lakhs
2015	Acquired 99.70% share in the capital and profits of M/s Finecure Medisciences ( <i>Previously known as M/s Modern Door Devices</i> ) to expand company's operations in ointment category of pharmaceutical sector vide a deed of Partnership dated December 30, 2015.
2016	Purchased office space of around 22,000 sq.ft at Mondeal Heights, S.G. Road, Ahmedabad
2016	Company implemented SAP ERP
2016	Land for second unit at Sanand, Gujarat, acquired by the Company
2017	Company achieved a turnover of above ₹ 9700 Lakhs
2017	Acquired 45 registered and 5 unregistered trademarks from Mr. Vikash Rajgarhia (Proprietor of M/s Finecure Pharmaceuticals)

### Accreditations and Certifications

Calendar Year	Details
2014	Certificate of Good Manufacturing Practices issued by National Agency for Food and Drug Administration and Control, Nigeria
2016	NSIC-Crisil Rating MSE*1 that indicates 'highest credit worthiness in relation to other MSEs'
2016	ISO 9001:2015
2016	ISO 14001:2015
2016	ISO 22000:2005
2016	ISO 18001:2007
2016	Certificate of Good Manufacturing Practices issued by Pharmacy and Poison Board, Ministry of Health, Nairobi
2016	Certificate of Good Manufacturing Practice issued by Directorate General of Health, Ivory Coast
2017	Certificate of Good Manufacturing Practice as per World Health Organisation TRS guidelines issued by Drug Licensing Authority, Uttarakhand, India

### Awards and Recognitions

The table below sets forth the key awards and certifications received by our Company:

Year	Details
2012	International Arch of Europe Award - Germany for Quality & Technology in Gold Category
2013	Assocham India Business Excellence Award 2013
2013-2014	Asia's Most Promising Brand validated by Consumers & Industry, Process Advisors and Evaluators, KPMG in India
2015	IPE Fastest Growing Pharma Company Award 2015
2015	Award for innovation in Beta Lactum Drug Development, Healthcare and Pharmaceuticals Awards 2015
2016	MEDCON - Pharma Company of the Year 2016- Operational Excellence
2016	Brand Excellence Award by ABP News
2016	Assocham India Leadership award-2016
2016	Innovation in Process and Formulation development Award 2016 by CIMS
2016	Entrepreneur of the year in manufacturing Business Export by Entrepreneur Magazine
2016	38th Rank in – Dream Companies to Work for in India-Times Ascent World HRD Congress
2017	"One Star Export House" from Government of India
2017	Pharma Company of the Year by CMO, Asia
2017	Awarded Best Asian Healthcare Brands by Economic Times
2018	Awarded "SME Company of the year" by ET Now.

**Strike and lock-outs**

We have not experienced any strikes, lock-outs or labour unrest in the past.

**Time/cost overruns**

Our Company has not experienced time and cost overruns in the past.

**Changes in activities of our Company during the last five years**

There has been no change in the activities of our Company during the last five years prior to the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

**Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company**

There have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

**Capital raising activities through equity or debt**

Our equity issuances in the past have been provided in "*Capital Structure*" beginning on page 74. Further, our Company has not undertaken any public offering of debt instruments since its inception.

**Injunctions or restraining order against our Company**

Except as disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 344, there are no injunctions or restraining orders against our Company.

**Revaluation of assets by the Company**

Our Company has not revalued its assets since its incorporation.

**Details regarding acquisition of business/undertakings, mergers, amalgamations**

Our Company became a partner with 99.70% share in the profits and capital of the Partnership Firm i.e. M/s. Finecure Medisciences (*Previously known as M/s. Modern Door Devices*) vide a deed of partnership dated December 30, 2015.

Subsequently, vide a deed of dissolution dated March 30, 2018, the Partnership Firm was dissolved and all its movable and immovable assets, including the proposed ointment unit of the Partnership Firm, has been transferred to our Company against set off of our capital contribution in the Partnership Firm. Since the land over which the proposed ointment unit of the Partnership Firm is situated belongs to SIIDCUL, our Company shall initiate the process of obtaining necessary approvals from SIIDCUL to execute the transfer of the land in the name of our Company.

Except as stated above, our Company has not acquired any business or undertaking, and has not undertaken any mergers, amalgamation.

**Shareholders' agreements**

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any shareholders' agreements that are subsisting except as set forth below.

**Joint Venture and Other Agreements**

As on the date of filing this Draft Red Herring Prospectus, there is no existing joint venture or other material agreements entered into by our Company which is not in its ordinary course of business.

**Financial and Strategic Partners**

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

**Other Material Agreements**

Except as mentioned above, there are no material agreements or contracts, which have been entered into by our Company within a period of two years prior to the date of this Draft Red Herring Prospectus, which are not in the ordinary course of business.

**Guarantees issued by Promoters offering their equity shares in terms of the Offer for Sale:**

Our Promoters have provided personal guarantees amounting to ₹ 300.00 lakhs (Amount outstanding as on January 31, 2018 is ₹164.61 Lakhs ) to our lenders in relation to the outstanding loans availed by our Company. For details regarding the personal guarantees provided by our Promoters, please refer to the chapter titled "*Statement of Financial Indebtedness*" beginning on page 340. Any default or failure by us to repay this loan in a timely manner, or at all, could trigger repayment obligations on the part of our Promoters. For further details, please refer to the chapters titled "*Risk Factors*" and "*Statement of Financial Indebtedness*" beginning on pages 19 and 340, respectively. Except as stated herein, our Promoters have not provided any guarantees on behalf of our Company to third parties which are currently outstanding.

**Technology, market competence and capacity build-up**

For details on the technology, market competence and capacity build-up of our Company, please see the chapter titled "*Our Business*" beginning on page 110.

**Our Holding Company**

Our company does not have any holding company as on the date of this Draft Red Herring Prospectus.

**Our Subsidiary**

As on the date of this Draft Red Herring Prospectus, our Company has no subsidiary.

**Associate Company**

As on the date of this Draft Red Herring Prospectus, we have 1 (one) Associate Company. Following are the details regarding our Associate Company:

**Finebiotics Pharma Limited ("FBPL")***Corporate Information*

Finebiotics Pharma Limited ("**FBPL**") was originally incorporated as a private company under the Companies Act, 1956 with the name Pharland Health Care Private Limited on August 10, 2004. The name of FBPL was changed from Pharland Health Care Private Limited to Finebiotics Pharma Private Limited by passing the necessary resolution and with the approval of the Central Government under section 21 of the Companies Act, 1956 pursuant to which a fresh certificate of incorporation was issued on October 17, 2013. Subsequently, upon the conversion of FBPL into a public limited company a fresh certificate of incorporation was issued to FBPL on December 6, 2013. The registered office of FBPL is located at 303, Third Eye One, opposite White House, C.G. Road, Ahmedabad, Gujarat, India 380006,.

FBPL is engaged in the business of manufacturing of dry powder injectables in therapeutic category of antibiotics having manufacturing facility at Rudrapur, Uttarakhand. The products manufactured are supplied on P2P basis. The CIN of FBPL is U24231GJ2004PLC044581.

The authorized capital of FBPL is ₹11,50,00,000 (Rupees Eleven Crore and Fifty Lakhs) divided into 1,15,00,000 equity shares of ₹ 10 each. The paid up capital of FBPL is ₹ 11,50,00,000 (Rupees Eleven Crore and Fifty Lakhs) divided into 1,15,00,000 equity shares of ₹ 10 each.



# **Finecure Pharmaceuticals Limited**

The directors of FBPL are Mr. Vivek Rajgarhia, Mr. Vedprakash Amarchand Agarwal, Mr. Mukesh Tarachand Agarwal, Mr. Sharad Sampatraj Pokharna and Mr. Pradipbhai Ratilal Shah.

## **Shareholding**

Our Company, holds 56,17,117 equity shares of ₹ 10 each aggregating to 48.85% of the issued and paid up equity share capital of FBPL.

## **Financial Information**

(₹ In lakhs)

Particulars	For the nine months period ended	For the Financial Year		
		December 31, 2017	2017	2016
Equity Capital	1150.00	850.00	850.00	850.00
Reserves and surplus	(450.50)	(454.64)	(448.33)	(248.51)
Revenue	1148.00	1434.35	1193.58	352.90
Profit/(loss) after Tax	4.14	(6.31)	(199.82)	(102.54)
Basic EPS (in ₹)	0.04	(0.07)	(2.35)	(1.21)
Diluted EPS (in ₹)	0.04	(0.07)	(2.35)	(1.21)
Net Assets value per share (in ₹)	6.08	4.65	4.73	7.08

## OUR MANAGEMENT

### Board of Directors

Currently, our Company has six (6) Directors out of which three (3) are Executive Directors. The following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus:

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age	Other Directorships as on the date of this Draft Red Herring Prospectus
<b>Mr. Vikash Rajgarhia</b>  <b>Father's Name:</b> Mr. Haremurari Rajgarhia  <b>Nature of Directorship:</b> Chairman and Managing Director  <b>Residential Address:</b> 101, Serene Apartment, behind Prahladnagar Garden, Near Shaligram-3, Vejalpur, , Ahmedabad, Gujarat – 380 015  <b>Date of Appointment / Re-Appointment:</b> Designated as Chairman and Managing Director on December 21, 2017  <b>Term:</b> Five (5) years from December 21, 2017  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 00225426	43	<b>Public Limited Entities:</b>  Global Medisciences Limited  <b>Private Limited Entities:</b>  Nil  <b>Foreign Entities:</b>  Nil
<b>Mr. Vivek Rajgarhia</b>  <b>Father's Name:</b> Mr. Haremurari Rajgarhia  <b>Nature of Directorship:</b> Whole Time Director  <b>Residential Address:</b> 101-102, Serene Apartment, Prahladnagar, 100-FT Road, Satellite, Ahmedabad, Gujarat – 380 015  <b>Date of Appointment / Re-Appointment:</b> Reappointed on April 1, 2015, Liable to retire by rotation with effect from December 21, 2017  <b>Term:</b> Five (5) years from April 1, 2015  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 00225406	41	<b>Public Limited Entities:</b>  Global Medisciences Limited Finebiotics Pharma Limited  <b>Private Limited Entities:</b>  Nil  <b>Foreign Entities:</b>  Nil
<b>Mr. Vishal Rajgarhia</b>  <b>Father's Name:</b> Mr. Haremurari Rajgarhia  <b>Nature of Directorship:</b> Whole Time Director	36	<b>Public Limited Entities:</b> Nil  <b>Private Limited Entities:</b> Nil



# **Finecure Pharmaceuticals Limited**

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age	Other Directorships as on the date of this Draft Red Herring Prospectus
<p><b>Residential Address:</b> 101, Serene Apartment, behind Prahladnagar Garden, Near Shalby Hospital, Ahmedabad, Gujarat – 380 015</p> <p><b>Date of Appointment / Re-Appointment:</b> Designated as Whole Time Director on December 21, 2017</p> <p><b>Term:</b> Five (5) years from December 21, 2017 liable to retire by rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00225415</p>		<p><b>Foreign Entities:</b></p> <p>Nil</p>
<p><b>Mr. Anshu Krishna Agrawal</b></p> <p><b>Father's Name:</b> Mr. Krishnakumar Bodulal Agrawal</p> <p><b>Nature of Directorship:</b> Non Executive Non Independent Director</p> <p><b>Residential Address:</b> A-602, Popular Domain, Opp. Krishna Shopping centre, Opp. Iscon Mall, Satellite, Ahmedabad- 380015, Gujarat, India</p> <p><b>Date of Appointment / Re-Appointment:</b> Categorised as Non Executive Non Independent Director w.e.f. February 6, 2018</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07931194</p>	<p>27</p>	<p><b>Public Limited Entities:</b></p> <p>Nil</p> <p><b>Private Limited Entities:</b></p> <p>Techografix Printpack Private Limited (Previously, known as Cadmus Laboratories Pvt. Ltd.)</p> <p><b>Foreign Entities:</b></p> <p>Nil</p>
<p><b>Mr. Mukesh Tarachand Agarwal</b></p> <p><b>Father's Name:</b> Mr. Tarachand Shah</p> <p><b>Nature of Directorship:</b> Independent Director</p> <p><b>Residential Address:</b> A-901, Sheraton Luxury, VIP Road, Bhimrad, Vesu, Surat – 395007, Gujarat, India</p> <p><b>Date of Appointment / Re-Appointment:</b> December 21, 2017</p> <p><b>Term:</b> Five (5) years from December 21, 2017</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p>	<p>33</p>	<p><b>Public Limited Entities:</b></p> <p>Finebiotics Pharma Limited</p> <p><b>Private Limited Entities:</b></p> <p>Kashish Tex Private Limited</p> <p><b>Foreign Entities:</b></p> <p>Nil</p>



# **Finecure Pharmaceuticals Limited**

Name, Father's Name, Nature of Directorship, Residential Address, Date of Appointment/ Re-appointment, Term, Period of Directorship, Occupation, and DIN	Age	Other Directorships as on the date of this Draft Red Herring Prospectus
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**DIN:** 00118813

<b>Ms. Anjala Sultania</b>	42	<b>Public Limited Entities:</b>
<b>Father's Name:</b> Mr. Sushil Kumar Panshari		Nil
<b>Nature of Directorship:</b> Independent Director		<b>Private Limited Entities:</b>
<b>Residential Address:</b> House no.106, Kirana Chandra Singh Road, 36 Shibpur, Howrah, West Bengal-711102, India		Nil
<b>Date of Appointment / Re-Appointment:</b> December 21, 2017		<b>Foreign Entities:</b>
<b>Term:</b> Five (5) years from December 21, 2017		Nil
<b>Nationality:</b> Indian		
<b>Occupation:</b> Profession		
<b>DIN:</b> 07933625		

## **Brief Biographies of the Directors**

**Mr. Vikash Rajgarhia**, aged 43 years, is the Chairman and Managing Director of our Company. He is one of the co-founders of our Company. He has been associated with our Company and served on our Board since inception. He was designated as the Chairman and Managing Director of our Company with effect from December 21, 2017 for a period of five (5) years. He holds a bachelor degree in commerce from University of Calcutta. He is also a Director on the board of Global Medisciences Limited which is our Group Company. He has around 17 years of experience in pharmaceutical industry. He is instrumental in promoting the overall strategy and growth of our Company and has been responsible for strategizing the management, acquisition and expansion of the business. Under his leadership, the Company has gradually attained accelerated growth rate over the years and has consistently been rated CRISIL 1A since 2011.

**Mr. Vivek Rajgarhia** aged 41 years is the Whole- time director of our Company. He is one of the co-founders of our Company. He has been associated with our Company and served on our Board since inception. He was designated as a Whole-time Director of our Company with effect from April 1, 2010 for a period of five (5) years and reappointed as Whole-time Director of our Company with effect from April 1, 2015 for a period of five (5) years. His tenure is subject to retirement by rotation with effect from December 21, 2017. He holds a Bachelor's degree in Commerce from Calcutta University. He is also a Director on the board of Global Medisciences Limited and Finebiotics Pharma Limited. He has around 12 years of experience in pharmaceutical industry. He heads the purchase, human resource, production, quality assurance, quality control and FR&D departments of our Company and responsible for managing the day to day affairs of the said departments.

**Mr. Vishal Rajgarhia** aged 36 years is the Whole -time Director of our Company. He is one of the co-founders of our Company. He has been associated with our Company and served on our Board since inception. He was appointed as a Whole time Director of our Company with effect from December 21, 2017 for a period of five (5) years subject to retirement by rotation. He holds a Doctor of Science degree (Hons.) in Management from KEISIE International University, South Korea and has been recognised as "Most Impactful Healthcare Leader, 2017" World Health & Wellness Congress and awards sponsored by CMO Asia, recognised as "Influential Leader of India 2017" for excellence in the Field of Business by ERTC and awarded with "Certificate of Leadership" by ASSOCHAM for remarkable contribution towards India's Pharma Awareness Drive in State of Gujarat 2016. He has also been awarded "Global Business Leadership Award" by World Peace and Diplomacy Organisation for best performance in the field of



## **Finecure Pharmaceuticals Limited**

manufacturing Pharmaceutical Formulations (West India) at the Global Business Leadership Forum held in the year 2017. He has around 14 years of experience in pharmaceutical industry. He heads the marketing (domestic and export) and Information Technology department and also responsible for the strategizing and executing the branding and marketing of our Company.

**Mr. Anshu Krishna Agrawal**, aged 27 years is the Non-Executive Non Independent Director of our Company. He has been associated with our Company and appointed on our Board as Non-Executive Independent Director with effect from December 21, 2017. He has been re-designated as Non-Executive Non Independent Director with effect from February 6, 2018. He holds a Bachelor's degree in Commerce from Gujarat University and Master of Business Administration (MBA) from Sikkim Manipal University. He has experience of five (5) years in the field of business development and promotion.

**Mr. Mukesh Tarachand Agarwal**, aged 33 years is the Independent Director of our Company. He has been associated with our Company and appointed on our Board with effect from December 21, 2017. He holds a Bachelor of engineering (computer) from BVM Engineering College, Sardar Patel University Gujarat and post graduate diploma in business management (PGDBM) with specialization in finance from Sri Sri Institute of Management Studies. He has experience of five (5) years in the field of textile industry.

**Ms. Anjala Sultania**, aged 42 years is the Independent Director of our Company. She has been associated with our Company and appointed on our Board with effect from December 21, 2017. She holds a Bachelor of Arts with specialization in economics from Patna University.

### **Nature of any family relationship between our Directors**

Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia are brothers Except as disclosed above, none of our directors are termed as relatives within the meaning of section 2(77) of the Companies Act, 2013; related to each other.

### **We also confirm that:**

1. All of our directors are Indian nationals.
2. None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of this Draft Red Herring Prospectus.
3. None of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies. None of our Promoter, Directors or persons in control of our Company, have been or are involved as promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.
4. None of our Directors are directors on the board of any company, which is a service provider to our Company.
5. None of the Directors of our Company are associated with securities market.
6. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors were selected as director or member of senior management.
7. There is no service contract entered into by the Directors with the Company providing for benefits upon termination of employment.

### **Details of Borrowing Powers of our Directors**

Pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on January 29, 2018 under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the Board of Directors of our Company is authorized to borrow monies from time to time in excess of aggregate of paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹20000.00Lakhs.

### **Terms of appointment of Managing Director and Whole-time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under. Our Company has one (1) Managing Director and two (2) Whole-time Directors. The terms of the

appointment of our Managing Director and Whole-time Directors are set out below:

***Mr. Vikash Rajgarhia***

Mr. Vikash Rajgarhia was appointed as first director of our Company. He was appointed as our Managing Director pursuant to a resolution passed by our shareholders on December 21, 2017 for a period of 5 years with effect from December 21, 2017.

Pursuant to a shareholder's resolution dated December 21, 2017, Mr. Vikash Rajgarhia is entitled to the following remuneration and perquisites with effect from December 21, 2017:

Particulars	Remuneration per annum (in ₹)
Basic salary	4,98,468
DA	2,16,000
House rent allowance	3,32,304
Conveyance allowance	1,99,380
Medical allowance	1,99,380
Special allowance	2,16,000
Bonus	1,38,468
<b>Total</b>	<b>18,00,000</b>
<b>Remuneration paid for F.Y. 2016-2017</b>	<b>Nil</b>

***Mr. Vivek Rajgarhia***

Mr. Vivek Rajgarhia was appointed as first director of our Company. He was appointed as a Whole-time Director with effect from April 1, 2010 pursuant to a resolution passed by our shareholders at the Extra-Ordinary General Meeting held on July 20, 2010 and thereafter reappointed as Whole time Director pursuant to a resolution passed by our shareholders at the Extra-Ordinary General Meeting held on March 30, 2015 for a period of 5 years from April 01, 2015.

Pursuant to shareholder resolution dated December 21, 2017, Mr. Vivek Rajgarhia is entitled to the following remuneration and perquisites with effect from December 21, 2017:

Particulars	Remuneration per annum (in ₹)
Basic salary	4,80,000
DA	2,16,000
House rent allowance	3,24,000
Conveyance allowance	1,92,000
Medical allowance	1,92,000
Special allowance	2,08,980
Provident fund	57,600
Bonus	1,29,415
<b>Total</b>	<b>18,00,000</b>
<b>Remuneration paid for F.Y. 2016-2017</b>	<b>12,50,000</b>

***Mr. Vishal Rajgarhia***

Mr. Vishal Rajgarhia was appointed as first director of our Company. He has been reappointed as our Whole -time Director pursuant to a resolution passed by our shareholders at the Extra-Ordinary General Meeting held on December 21, 2017 for a period of 5 years from December 21, 2017.

Pursuant to shareholder resolution dated December 21, 2017, Mr. Vishal Rajgarhia is entitled to the following remuneration and perquisites with effect from December 21, 2017:

Particulars	Remuneration per annum (in ₹)
Basic salary	4,98,468
DA	2,16,000
House rent allowance	3,32,304

Conveyance allowance	1,99,380
Medical allowance	1,99,380
Special allowance	2,16,000
Bonus	1,38,468
<b>Total</b>	<b>18,00,000</b>
<b>Remuneration paid for F.Y. 2016-2017</b>	<b>Nil</b>

### Compensation payable to our non-executive directors

Pursuant to the resolution passed by the board of directors of the Company in their meeting held on January 16, 2018, our non-executive directors are entitled to receive a sitting fee of ₹ 5,000 for attending each meeting of our Board and committees thereof.

### Other Confirmations

As on the date on this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. There is no bonus or profit sharing plan for the Director
3. Except as disclosed in the section titled "*Financial Information*", beginning on page 173, no amount or benefit has been paid or given within the 2 (two) preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Director

### Shareholding of our Directors

Our Articles of Association do not require the Directors to hold any qualification shares.

For details of Equity Shares held by our Directors as on the date of this Draft Red Herring Prospectus, please refer the chapter titled "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" beginning on page 74.

### Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. For further details, please refer the chapter titled "*Our Management*" beginning on page 150.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other rights in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners. For further details, please refer to the chapter titled "*Related Party Transaction*" beginning on page 171.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which our Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts, agreements or arrangements. For further details, please refer to chapter titled "*Financial Information*" beginning on page 173.

### *Interest in property*

Our Directors are not interested in any property acquired by the Company within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it or in any transaction involving construction of building or supply of machinery etc.

### *Interest in promotion of the Company*


Our Directors, Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia, may be interested to the extent our Company is promoted by them and are subscriber to the Memorandum of Association of our Company on its incorporation.

Except as disclosed above none of the other Directors are interested in the promotion of our Company. For more details, please refer the chapter titled "*Our Promoters, Promoter Group*" beginning on page 164.

### **Other Interest**

Other than as stated above and except as stated in the sections titled "*Financial Information*" and "*Our Promoters and Promoter Group*" beginning on pages 173 and 164 respectively, our Directors do not have any other interest in the business of our Company.

Further, except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Name of Director	Interest and nature of interest
1.	Mr. Vikash Rajgarhia	Our Company has entered into copyright license agreement with Finecure Pharmaceuticals, proprietorship firm of Mr. Vikash Rajgarhia dated December 14, 2017 in relation to the artistic work in English language titled Finecure Pharmaceuticals "  " with letter F for a royalty of ₹1.51 Lakhs p.a. for each year of use of work under the said agreement. This agreement is valid for a period 5 (five) years.
2.	Mr. Vishal Rajgarhia	Our Company has entered into a Rent Agreement dated October 10, 2017 with Mr. Vishal Rajgarhia, Ms. Pooja (wife of Mr. Vivek Rajgarhia) Ms. Priti Rajgarhia (wife of Mr. Vikash Rajgarhia) for registered office of our company located at 612 to 615, Anand Mangal Complex - III, Nr. Parimal Garden, Rajnagar Club Lane, Ellisbridge, Ahmedabad – 380 006 for a rental of ₹ 15,000 per month. The agreement is valid up to October 31, 2018.

For further details in relation to Interest of directors, please refer the section titled "*Our Group Company*" beginning on page 168.

### **Appointment of relatives to a place of profit**

None of the relatives of our Directors currently hold any office or place of profit in our Company.

### **Changes in our Company's Board of Directors during the last three (3) years**

The changes in the Board of Directors of our Company in the last three (3) years are as follows:

Name of the Director & Designation	Date of Appointment/ Reappointment/ Resignation	Reason
Mr. Vikash Rajgarhia	December 21, 2017	Change in designation
Mr. Vishal Rajgarhia	December 21, 2017	Change in designation
Mr. Mukesh Tarachand Agarwal	December 21, 2017	Appointment as an Independent Director
Mr. Anshu Krishna Agrawal	December 21, 2017	Appointment as an Independent Director
Ms. Anjala Sultania	December 21, 2017	Appointment as an Independent Director
Mr. Anshu Krishna Agrawal	February 06, 2018	Change in designation

### **Corporate Governance**

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company. Our Company is in compliance with the requirements of applicable regulations, specifically the Companies Act, 2013 and the SEBI (ICDR) Regulations, in respect of corporate governance particularly in relation to constitution of the Board and

committees of our Board.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Currently, our Company has six (6) Directors including Mr. Vikash Rajgarhia as an executive Chairman. Out of six (6) directors, three (3) are Executive Directors, two (2) are Independent Directors and one (1) is Non-Executive Non Independent Director. In compliance with the requirements of Companies Act, 2013, we have two (2) Independent Directors on the Board, in addition to three (3) Executive Directors. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

The details of i) Audit Committee; ii) Nomination and Remuneration Committee; iii) Stakeholders Relationship Committee; and iv) Corporate Social Responsibility Committee are set out below. In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute/ reconstitute committees for various functions.

**i) Audit Committee:**

Our Company has constituted the Audit Committee in accordance with the Section 177 of the Companies Act. Further, the Audit Committee was constituted by way of a Board resolution dated February 07, 2018. The audit committee presently consists of the following Directors of the Board:

- i) Mr. Mukesh Tarachand Agarwal, Chairman
- ii) Ms. Anjala Sultania, Member;
- iii) Mr. Vikash Rajgarhia, Member

Ms. Sonamben Zatkia, our Company Secretary and Compliance Officer, is the secretary to Audit Committee.

The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall remain in force and continue to carry out its functions until otherwise resolved by the Board.
- B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the total number of members of the committee, whichever is higher, provided that Chairman of the Audit Committee shall remain present at each meeting. The meeting of the Audit Committee shall be called by giving not less than seven day's notice in writing in advance to every member of the Committee. However, in case of urgency, the meeting may be called by giving shorter notice subject to fulfillment of above quorum requirements.

**C. Powers of the Audit Committee:**

The powers of the Audit Committee include the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee of our Company;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

**D. Role of the Audit Committee:**

The Role of Audit Committee together with its powers shall be as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

## Finecure Pharmaceuticals Limited

- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Approving initial or any subsequent modification of transactions of the Company with related parties;
- Scrutinizing inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013 ;
  - b) changes, if any, in accounting policies and practices along with reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions; and
  - g) modified opinion in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- Approving the appointment of the Chief Financial Officer (i.e. the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

### **E. Mandatory review by the Audit Committee**

The Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor.
- f) statement of deviations: (a) half-yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of SEBI Listing Regulations.

**ii) Nomination and Remuneration Committee:**

Our Company has constituted in terms of Section 178 of the Companies Act, Remuneration Committee as Nomination and Remuneration Committee in the meeting of the Board of Directors held on February 07, 2018. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

- i) Mr. Mukesh Tarachand Agarwal, Chairman;
- ii) Ms. Anjala Sultania, Member;
- iii) Mr. Anshu Krishna Agrawal, Member
- iv) Mr. Vikash Rajgarhia, Member

Ms. Sonamben Zatkia, our Company Secretary and Compliance Officer, is the secretary to Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:**

The committee shall meet as and when the need arises for the purpose of identifying and considering the appointment or removal of directors and senior management personnel and review of Managerial Remuneration payable the directors and senior management. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher provided one independent director shall be present. The meeting of the Remuneration Committee shall be called by giving a notice of at least seven day's in advance to all the members of the Committee. However, in case of urgency, the meeting may be called by giving shorter notice subject to fulfillment of above quorum requirements.

**C. Terms of Reference:**

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- b) Formulation of criteria for evaluation of performance of independent directors and the Board;
  - c) Devising a policy on Board diversity;
  - d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
  - e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
  - f) To administer and superintend the ESOP scheme of the Company; and
  - g) Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law."

**iii) Stakeholders Relationship Committee:**

Our Company has constituted the Stakeholders Relationship Committee by way of a Board Resolution dated February 07, 2018. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

- i) Mr. Anshu Krishna Agrawal, Chairman
- ii) Mr. Mukesh Tarachand Agarwal, Member;
- iii) Mr. Vikash Rajgarhia, Member
- iv) Mr. Vivek Rajgarhia, Member

Ms. Sonamben Zatkia, our Company Secretary and Compliance Officer, is the secretary to Stakeholders Relationship Committee.

The scope and function of the Shareholders / Investors Grievance Committee and its terms of reference shall include the following:

**A. Tenure:** The Stakeholder Relationship Committee shall remain in force and continue to carry out its functions until otherwise resolved by the Board.

**B. Meetings:** The Stakeholder Relationship Committee shall meet at least four times in a year with maximum interval of one hundred and twenty days between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present out of which at least one of the member shall be non-executive director. Meeting of the Stakeholder Relationship Committee shall be called by giving a notice of at least seven day's in advance to all members of the Committee. However, in case of urgency, the meeting may be called by giving shorter notice.

**C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- attending to requests from the shareholders for demat/ remat of shares;
- Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
- considering and resolving grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 1992 as amended.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,
- Carrying out any other function contained in the equity listing agreements as and when amended.

**iv) Reconstitution of Corporate Social Responsibility Committee:**

Our Corporate Social Responsibility Committee was last re-constituted by a resolution of the Board dated December 28, 2017 and is in compliance with Section 135 of the Companies Act 2013. The CSR Committee currently comprises:

- i) Mr. Vikash Rajgarhia, Chairman
- ii) Mr. Vivek Rajgarhia, Member;
- iii) Mr. Vishal Rajgarhia, Member
- iv) Mr. Mukesh Tarachand Agarwal, Member

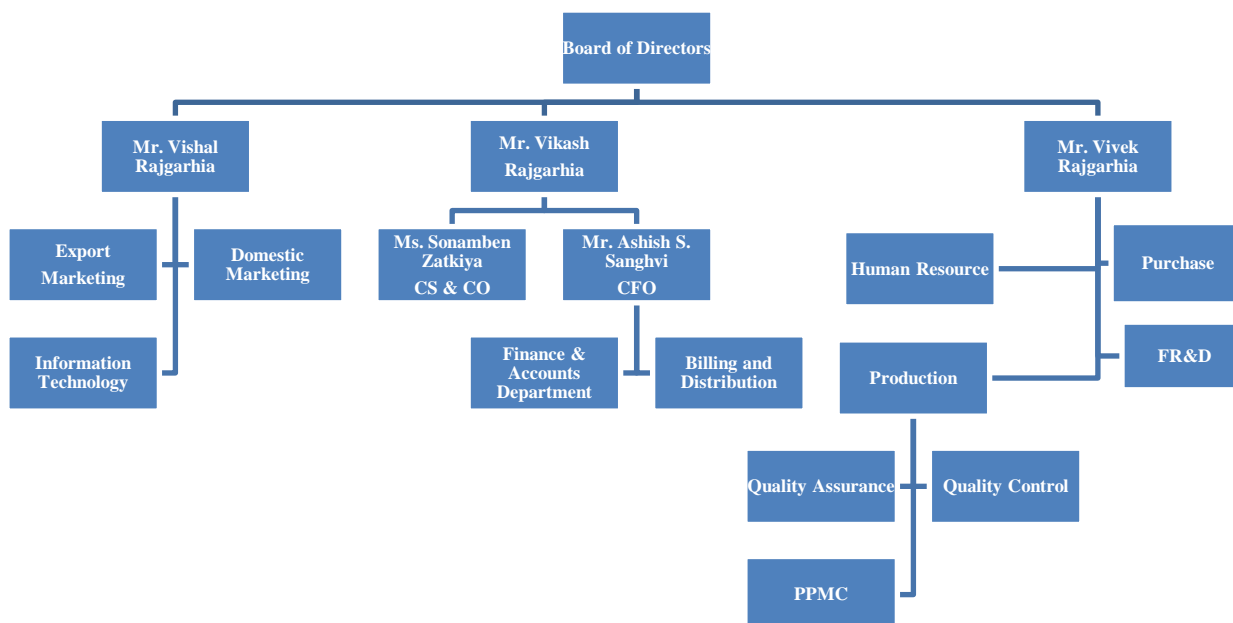
*Scope and terms of reference:* The terms of reference of the CSR Committee are as follows:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a), and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

Our Company has adopted the following policies:

- Code of Internal Procedures and Conduct for Prevention of Insider Trading
- Code of conduct for directors and senior management
- Nomination and remuneration policy
- Criteria/policy for making payments to non-executive directors
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Policy for determination of material event/disclosure
- Policy for preservation of documents
- Policy on archival of documents
- Policy for risk management
- Vigil mechanism/whistle blower policy for directors and employees
- Policy for disclosures of material group companies, material outstanding litigations and outstanding dues to creditors in the offer documents issued
- Policy on Prevention of Sexual Harrasment at Workplace

### Management Organizational Structure



### Key Managerial Personnel

In addition to our Managing Director, Mr. Viaksh Haremurari Rajgarhia, and our Whole- time directors, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia, whose details are provided in "*Brief Profiles of our Directors*" on page 152 the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

#### ***Mr. Ashish S. Sanghvi***

Mr. Ashish S. Sanghvi, aged 35 years is our Chief Financial Officer. Mr. Ashish S. Sanghvi is a qualified chartered accountant. He has been associated with our Company since October 10, 2009 as a Manager (Accounts and Finance).

## **Finecure Pharmaceuticals Limited**

Pursuant to a Board resolution dated December 28, 2017, was appointed as the Chief Financial Officer of our Company. He has more than eight (8) years of experience in audit, taxation and finance. In Fiscal 2017, he received a gross remuneration of ₹ 10.31 Lakhs.

### **Ms. Sonamben Zatkia**

Ms. Sonamben Zatkia, aged 26 years, is the company secretary and compliance officer of our Company. Ms. Sonamben Zatkia holds a bachelor's degree in commerce from the Gujarat University, Ahmedabad. Ms. Sonamben Zatkia is an associate member of the Institute of Company Secretaries of India. She has around two years of experience in various fields, including corporate legal and secretarial compliances. Pursuant to a Board resolution dated December 28, 2017 she was appointed as our Company Secretary and compliance officer. Her gross remuneration is of ₹ 2.94 Lakhs per annum.

All our key managerial personnel are permanent employees of our Company.

### **Shareholding of Key Management Personnel in our Company**

Except for Mr. Ashish S. Sanghvi and Ms. Sonamben Zatkia, all our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus. For details of the shareholding of Mr. Vikash Rajgarhia Mr. Vivek Rajgarhia and, Vishal Rajgarhia, please refer to the chapter titled "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 74.

### **Bonus or profit sharing plan of the Key Managerial Personnel**

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel's of our Company.

### **Interests of Key Management Personnel**

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration and their shareholding in the company or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### **Payment of Benefits to Officers of our Company (non-salary related)**

Except as disclosed in the chapter titled "*Related Party Transactions*" beginning on page 171, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards superannuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "*Financial Information*" beginning on page 173, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

### **Retirement Benefits**

Except as provided for in the terms of appointment, our Company does not provide any specific retirement benefits.

### **Appointment of relatives of Directors to any office or place of profit**

Other than as disclosed above under "*Our Management - Relationship amongst the Key Managerial Personnel*" on page 153, none of the relatives of our Directors currently hold any office or place of profit in our Company.

**Relationship between the Directors and Key Managerial Personnel**

Except as disclosed in section titled "*Our Management – Nature of any family relationship between our Directors*" beginning on page 153 there are no family relationships between the Directors and Key Managerial Personnel of our Company.

**Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

**Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

**Loans availed by Directors / Key Managerial Personnel of our Company**

None of the Directors or Key Managerial Personnel's have availed loan from our Company which is outstanding as on the date of this Draft Red Herring Prospectus.

**Contingent or Deferred Compensation**

None of our Key Managerial Personnel have received or are entitled to any contingent or deferred compensation.

**Changes in our Company's Key Managerial Personnel during the last three (3) years**

Except for the changes to our Board of Directors, as set forth under "Our Management -Changes in the Board of Directors in the last three years" herein above, the changes in the Key Management Personnel in the last three years prior to the date of filing of this Draft Red Herring Prospectus are as follows:




<b>Name of the Key Managerial Personnel &amp; Designation</b>	<b>Date of Appointment/ Resignation</b>	<b>Reason</b>
Mr. Ashish S.Sanghvi	December 28, 2017	Appointment as the Chief Financial Officer
Ms. Sonamben Zatkia	December 28, 2017	Appointment as the Company Secretary and Compliance Officer

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

The Promoters of our Company are Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia. As on the date of this Draft Red Herring Prospectus, the Promoters holds 70,87,000 Equity Shares in aggregate, which is equivalent to 55.77% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer the chapter titled "*Capital Structure – Notes to Capital Structure*" on page 74.

#### The Brief profile of our Promoters is as under:

	<p>Mr. Vikash Rajgarhia, aged 43 years is one of the Promoter and Chairman and Managing Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 152.</p> <p><i>Passport No: N6603614</i>  <i>Driver's license number: GJ01 20080047445</i>  <i>Voter identification number: LPZ8916595</i></p> <p>For other venture of Mr. Vikash Rajgarhia, please refer the chapter titled "<i>Our Group Company</i>" on page 168.</p>
	<p>Mr. Vivek Rajgarhia, aged 41 years is one of the Promoter and Whole time Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 152.</p> <p><i>Passport No: J3648512</i>  <i>Driver's license number: GJ01/051329/03</i>  <i>Voter identification number: BR/47/284/357028</i></p> <p>For other venture of Mr. Vivek Rajgarhia, please refer the chapter titled "<i>Our Group Company</i>" on page 168.</p>
	<p>Mr. Vishal Rajgarhia, aged 36 years is one of the Promoter and Whole time Director of our Company. For details of his educational qualifications, personal address, experience, and other directorships, please see "<i>Our Management – Brief Profiles of our Directors</i>" on page 152.</p> <p><i>Passport No: Z3518752</i>  <i>Driver's license number: 4031/2002</i>  <i>Voter identification number: LPZ8916611</i></p> <p>For other venture of Mr. Vishal Rajgarhia, please refer the chapter titled "<i>Our Group Company</i>" on page 168.</p>

We confirm that the permanent account number, bank account numbers and passport number of our Promoters will be submitted to NSE at the time of submission of the Draft Red Herring Prospectus with them.

**Interest of Promoters*****Interest of our Promoters in the Promotion of our Company***

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any, and other distributions in respect of the equity shares held by them. For details regarding shareholding of our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 74.

Our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Company, Associate Company and with whom our Company transacts during the course of its operations.

Our Promoters are the Directors of our Company and may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, and in terms of the agreements entered into with our Company, if any, and AoA of our Company. For details, please refer to the chapters titled "*Our Management*", "*Financial Statements*" and "*Capital Structure*" beginning on pages 150, 173 and 74.

***Interest of Promoters in the Property of our Company***

Our Promoters do not have any other interest in any property acquired by our Company during the period of two years before filing this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

***Other Interest***

Other than as stated above and except as stated in the sections titled "Financial Information", "Our Management" and "*Our Group Company*" beginning on pages 173, 150 and 168 respectively, our promoters do not have any other interest in our Company.

**Other Ventures of our Promoters**

Save and except as disclosed in the chapter titled, "*Our Promoter and Promoter Group*" and "*Our Group Company*" beginning on page 164 and 168 respectively, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Common Pursuits of our Promoters**

Except in relation to our Promoter Group Companies and Group Company, our Promoters are not involved with any venture which is in the same line of activity or business as us.

**Related Party Transactions**

For details of related party transactions entered by our Promoters, members of our Promoter Group and our Group Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer to the chapter titled "*Related Party Transactions*" beginning on page 171.

**Payment of Amounts or Benefits to our Promoter or Promoter Group during the last two years**

Except as stated in the chapter titled "*Related Party Transactions*" on page 171 and "*Our Management*" beginning on pages 150 respectively, there has been no payment of benefits to our Promoters or the members of our Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus.

## Confirmations

Our Promoters, their respective relatives and other members of the Promoter Group have not been declared as a wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authorities from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing capital markets under any order or direction made by SEBI or any other authority.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

## Disassociation by our Promoters in the preceding three years

The Partnership Firm was dissolved vide a deed of dissolution dated March 30, 2018 and accordingly our Promoters namely, Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia ceased to be a partner of the Partnership Firm.

Except as stated above, our Promoters did not disassociate themselves from any venture during the three years preceding the date of filing this Draft Red Herring Prospectus.

## Changes in Control

Except as stated in the chapter titled *"Our Management - Changes in our Company's Board of Directors during the last three (3) years and Changes in our Company's Key Managerial Personnel during the last three (3) years"* beginning on page 156, there has been no change in the management or control of our Company in the last three years

## Relationship of Promoters with our Directors

Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia are brothers Except as disclosed above, none of our directors are termed as relatives within the meaning of section 2(77) of the Companies Act, 2013; related to each other.

## Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, please refer to the chapter titled *"Outstanding Litigation and Material Developments"* on page 344.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

### A. Individuals who are immediate relatives of our Promoters:

Relationship	Mr. Vikash Rajgarhia	Mr. Vivek Rajgarhia	Mr. Vishal Rajgarhia
Father	Mr. Haremurari Rajgarhia	Mr. Haremurari Rajgarhia	Mr. Haremurari Rajgarhia
Mother	Ms. Ushadevi Rajgarhia	Ms. Ushadevi Rajgarhia	Ms. Ushadevi Rajgarhia
Spouse	Ms. Priti Rajgarhia	Ms. Pooja Rajgarhia	Ms. Archana Rajgarhia
Brother	Mr. Vivek Rajgarhia Mr. Vishal Rajgarhia	Mr. Vikash Rajgarhia Mr. Vishal Rajgarhia	Mr. Vikash Haremurari Rajgarhia Mr. Vivek Rajgarhia
Sister	Ms. Shwetakshi Rajgarhia	Ms. Shwetakshi Rajgarhia	Ms. Shwetakshi Rajgarhia
Son	Keshav Rajgarhia Raghvendra Rajgarhia	-	Pranshu Rajgarhia
Daughter	-	Ms. Ananya Rajgarhia Ms. Shaurya Rajgarhia	Ms. Yashika Rajgarhia
Spouse's Father	Late Mr. Suresh Agrawal	Mr. Rajkumar Pansari	Mr. Pawankumar Agarwal

<b>Relationship</b>	<b>Mr. Vikash Rajgarhia</b>	<b>Mr. Vivek Rajgarhia</b>	<b>Mr. Vishal Rajgarhia</b>
Spouse's Mother	Ms. Santosh Agrawal	Late Ms. Maya Pansari	Ms. Munnidevi Agarwal
Spouse's Brother	Mr. Niraj Agrawal	Mr. Nikhil Pansari	Mr. Rupesh Agarwal Mr. Amit Agarwal
Spouse's Sister	Ms. Suman Agrawal Ms. Neha Agrawal	-	-

**B. Entities and Body Corporate forming part of our Promoter Group:**

The entities and body corporate forming part of the Promoter Group are as follows:

1. Global Medisciences Limited
2. Techografix Printpack Private Limited (previously known as Cadmus Laboratories Pvt. Ltd.)
3. Finecure Pharmaceuticals, Proprietorship of Mr. Vikash Rajgarhia

## OUR GROUP COMPANIES

*In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of "Group Company", our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated January 16, 2018 our Board vide a policy of materiality has resolved that a company shall be considered material and disclosed as a "Group Company" if:*

If such company being part of the Promoter Group as defined under the ICDR Regulations and our Company has entered into one or more transactions such that, individually or cumulatively such transaction exceeds 05.00% of the total consolidated revenue of our Company for the previous financial year and any stub period in respect of which, such financial statements are included in the Offer documents

Based on the above and other than our Associate Company as described in chapter titled "*History and Certain Corporate Matters*" beginning on page 138, our Company has the following "*Group Company*" in terms of the definition provided for above, as on date of this Draft Red Herring Prospectus:

### 1. Global Medisciences Limited

#### *Corporate Information*

Global Medisciences Limited ("**GML**") was incorporated as a public limited company under the Companies Act, 1956 on June 20, 2003. It commenced business operations pursuant to a certificate for Commencement of Business dated October 20, 2003. The registered office of GML is located at 303, Third Eye One, opposite White house, C.G. Road, Ahmedabad-380006, Gujarat, India.

#### **Nature of business**

GML is engaged in the business of supplying secondary packaging material for pharmaceuticals finished products and distribution of pharmaceutical products. The CIN of GML is U24239GJ2003PLC056518.

The authorized capital of GML is ₹1,00,00,000 (Rupees One Crore) divided into 10,00,000 equity shares of ₹ 10 each. The paid up capital of the Company is ₹ 40,63,000 (Rupees Forty Lakh Sixty Three Thousand) divided into 4,06,300 equity shares of ₹ 10 each.

The directors of GML are Mr. Vivek Rajgarhia, Mr. Vikash Rajgarhia and Ms. Archana Rajgarhia.

#### *Interest of our Promoters*

Nature and extent of interest of our Promoters

- 1) Mr. Vikash Rajgarhia, our Promoter and Managing Director is also a director of GML and holds 55,210 equity shares which constitutes 13.59 percent of the paid-up share capital in GML.
- 2) Mr. Vivek Rajgarhia, our Promoter and Whole-time Director is also a director of GML and holds 50,010 equity shares which constitutes 12.31 percent of the paid-up share capital in GML.
- 3) Mr. Vishal Rajgarhia, our Promoter and Whole-time Director holds 96,600 shares which constitutes 23.78 percent of the paid up share capital in GML.
- 4) Mr. Vishal Rajgarhia receives remunerations of ₹12.50 Lakhs p.a. from GML

#### **Standalone Financial Information**

(₹ In lakhs)

Particulars	For the Financial Year		
	2017	2016	2015
Equity Capital	40.63	40.63	40.63
Reserves and surplus	206.33	178.51	130.95
Revenue	1209.27	1245.04	1571.50
Profit/(loss) after Tax	27.82	47.56	27.27
Basic EPS (in ₹)	6.85	11.71	6.71
Diluted EPS (in ₹)	6.85	11.71	6.71
Net Assets value per share (in ₹)	60.78	53.94	42.23

\* Face value of each equity share is ₹ 10 per share.

***Nature and Extent of Interest of our Group Company***

***In the Promotion of our Company***

Our Group Company has no interest in the promotion or other interests in our Company.

***In the properties acquired or proposed to be acquired by our Company in the past two years before as on date of the Draft Red Herring Prospectus***

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

***Other Interest***

GML is a shareholder of our Company holding 28,81,500 equity shares constituting 22.67 percent of the paid-up share capital of our Company. Further, the promoters of GML i.e. Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia are also the Promoters of our Company. The directors of GML Mr. Vikash Rajgarhia and Mr. Vivek Rajgarhia are also the Directors of our Company. Ms. Archana Rajgarhia, director of GML is also a shareholder of our Company. Furthermore, the shareholders of GML Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia, Mr. Vishal Rajgarhia, Ms. Archana Rajgarhia, Ms. Pooja Rajgarhia, Ms. Priti Rajgarhia and Ms. Ushadevi Rajgarhia are also shareholders in our Company.

Further, except as provided hereunder, GML is not interested in our Company in any manner:

Sr. No.	Interest and nature of interest
1.	Our Company has entered into an Agreement for Supply of Products dated June 7, 2007 with GML for supply of pharmaceutical products manufactured.
2.	Our Company has entered into an Agreement for Supply of Products dated December 27, 2012 with for purchase of APIs and Packing Material for Pharmaceutical Products from GML.
3.	Our Company has entered into a Rent Agreement dated September 05, 2017 with GML for administrative office of our company located at Office No 303, 3rd Floor, 3rd Eye One Complex, C.G. Road, Ahmedabad for a rental of ₹ 14,000 per month. The agreement is valid up to September 01, 2018.
4.	Our Company has entered into a royalty agreement with GML dated November 11, 2017 in relation to the right to use few registered and unregistered trademarks in the name of GML for a royalty of ₹ 4.00 Lakhs p.a. for the period of 5 years

***Common Pursuits amongst the Group Company and our Company***

Our Group Company has objects similar to that of our Company. Further, currently we do not have any non-compete agreement/arrangement with any of our Group Company. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

***Confirmation***

None of the securities of our Group Company is listed on any stock exchange and our Group Company has made any public or rights issue of securities in the preceding three years, under the provisions of SEBI (ICDR) Regulations.

Our Group Company has not been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

Our Group Company has not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties

are pending against them.

Our Group Company has not been declared sick companies under the SICA. Additionally, our Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other governmental authorities. There is no winding up proceedings against any of our Group Company.

***Litigation***

For details related to litigations and regulatory proceedings involving our Group Company and defaults made by it, please refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 344 of this Draft Red Herring Prospectus.

***Negative Networth***

Our Group Company does not have negative networth as on the date of the last audited financial statements.

***Defunct / Struck Off Companies***

Our Group Company have not become defunct or struck – off in the five years preceding the filing of Draft Red Herring Prospectus.

***Sales/Purchases between our Company and Group Company***

Other than as disclosed in the chapter titled "*Related Party Transactions*" beginning on page 171, there are no sales/purchases between our Company and the Group Company.

***Payment or Benefit to our Group Company***

Except as stated in the chapter titled "*Related Party Transactions*" beginning on page 171, there has been no payment of benefits to our Group Company during the previous financial years nor is any benefit proposed to be paid to them.



## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during the last five financial years, as per the requirements under Accounting Standard 18 *"Related Party Disclosures"*, please see *"Financial Statements – Annexure AA – Restated Consolidated Statement of Related Party Transactions"* and *"Financial Statements – Annexure AA – Restated Standalone Statement of Related Party Transactions"* and on pages 245 and 318 of this Draft Red Herring Prospectus, respectively.

## DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends, if any, will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Companies Act, 2013, other applicable laws and the Articles of Association. The dividend, if any, will depend on a number of factors, including but not limited to capital requirements, applicable legal restrictions, and overall financial position of our Company.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. For details of risks in relation to our capability to pay dividend, please refer the section titled "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures* " on page 37.

The details of dividend paid by our Company on Equity Shares in the nine months ended on December 31, 2017 and last five Financial Years are provided below:

Particulars	December 31, 2017*	2017	2016	2015	2014	2013
No. of Equity Shares	1,27,08,650**	12,70,865	12,70,865	12,70,865	12,70,865	12,70,865
Dividend per Equity Share (in ₹)	1.25	1.25	1.25	1.25	1.25	1.00
Rate of dividend on Equity Share	12.50%	12.50%	12.50%	12.50%	12.50%	10.00%
Total dividend on Equity Share (₹ In Lakhs)	15.89	15.89	15.89	15.89	15.89	12.71
Dividend Distribution Tax (₹ In Lakhs)	3.23***	3.23	3.23	2.70	2.70	2.17

\* Our Board has declared an interim dividend of ₹1.25 on December 08, 2017

\*\* Our Company has allotted Bonus Shares dated December 28, 2017, however our board has declared an interim dividend on December 08, 2017 on 12,70,865 Equity Shares (before bonus allotment).

\*\*\*₹3.23 Lakhs does not included Interest element for late payment of DDT.



**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Financial Statements Page no.</b>	<b>Page No.</b>
Independent Auditors report on Consolidated Restated Financial Statements	174
Independent Auditors report on Standalone Restated Financial Statements	253



**Finecure Pharmaceuticals Limited**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS OF  
"FINECURE PHARMACEUTICALS LTD."**

(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**FINECURE PHARMACEUTICALS LTD.**  
612 to 615 Anand Mangal Complex III,  
Nr. Parimal Garden,  
Rajnagar Club Lane, Ellisbridge,  
Ahmedabad, Gujarat, India, 380 006.

Dear Sirs,

**Report on Restated Consolidated Financial Statements**

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Consolidated Financial Statements of **FINECURE PHARMACEUTICALS LTD.** (hereinafter referred as "the Company"), **FINEBIOTICS PHARMA LTD. (Previously known as "Pharland Healthcare Pvt. Ltd.")** ("Associate Company") and **M/S. FINECURE MEDISCIENCES (Previously known as "M/s. Modern Door Devices")** ("Partnership Firm / Subsidiary Firm") (collectively known as the "Group"), as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, and 31<sup>st</sup> March, 2013 and the related Restated Consolidated Statement of Profit & Loss for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 and Restated Consolidated Statement of Cash Flow for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 (collectively "Restated Consolidated Summary Statements" or "Restated Consolidated Financial Statements"). These Restated Consolidated Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Emerged Platform of National Stock Exchange.
2. These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Companies Act, 2013 (hereinafter referred to as the "Act") read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
  - (iii) The terms of reference to our engagements with the Company, requesting us to examine the consolidated financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on SME Emerged Platform of National Stock Exchange ("IPO" or "SME IPO") and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ("Guidance Note")
3. The Restated Consolidated Summary Statements of the Company have been extracted by the Management from the Audited Consolidated Financial Statements of the Company for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 which have been approved by the Board of Directors
4. Audit of the Consolidated Financial statements for the period ended 31<sup>st</sup> December, 2017 and for the years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 has been conducted by Company's Statutory Auditors, M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W).

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Further, Consolidated Financial Statements for the period ended 31<sup>st</sup> December, 2017 and year ended 31<sup>st</sup> March, 2017 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 which were audited by the Statutory Auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W) is based on the audited consolidated financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.

5. In accordance with the requirements of subclauses (i) and (iii) of clause (b) of subsection (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Consolidated Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
  - (i) The "Restated Consolidated Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Group as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors These Consolidated Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The "Restated Consolidated Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Group for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors These Consolidated Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The "Restated Consolidated Statement of Cash Flow" as set out in **Annexure III** to this report, of the Group for the period ended 31<sup>st</sup> December, 2017, and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors These Consolidated Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual consolidated financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W) for the respective periods / years, we are of the opinion that the Restated Consolidated Financial Statements have been made after incorporating:
  - a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
  - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements as set out in **Annexure IV** to this Report.

7. We have examined the following regrouped/ rearranged consolidated financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document (“Offer Document”), as approved by the Board of Directors of the Company and attached to this report for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013.
- (i) Restated Consolidated Statement of Share Capital enclosed as **Annexure A**
  - (ii) Restated Consolidated Statement of Reserves & Surplus enclosed as **Annexure B**
  - (iii) Restated Consolidated Statement of Long Term Borrowings enclosed as **Annexure C**
  - (iv) Restated Consolidated Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure C1**)
  - (v) Restated Consolidated Statement of Deferred Tax Liabilities enclosed as **Annexure D**
  - (vi) Restated Consolidated Statement of Long Term Provisions enclosed as **Annexure E**
  - (vii) Restated Consolidated Statement of Short Term Borrowings enclosed as **Annexure F**
  - (viii) Restated Consolidated Statement of Trade Payables enclosed as **Annexure G**
  - (ix) Restated Consolidated Statement of Other Current Liabilities enclosed as **Annexure H**
  - (x) Restated Consolidated Statement of Short Term Provisions enclosed as **Annexure I**
  - (xi) Restated Consolidated Statement of Fixed Assets enclosed as **Annexure J**
  - (xii) Restated Consolidated Statement of Non-Current Investments enclosed as **Annexure K**
  - (xiii) Restated Consolidated Statement of Long Term Loans & Advances enclosed as **Annexure L**
  - (xiv) Restated Consolidated Statement of Other Non-Current Assets enclosed as **Annexure M**
  - (xv) Restated Consolidated Statement of Current Investments enclosed as **Annexure N**
  - (xvi) Restated Consolidated Statement of Inventories enclosed as **Annexure O**
  - (xvii) Restated Consolidated Statement of Trade Receivables enclosed as **Annexure P**
  - (xviii) Restated Consolidated Statement of Cash & Cash Equivalents enclosed as **Annexure Q**
  - (xix) Restated Consolidated Statement of Short Term Loans & Advances enclosed as **Annexure R**
  - (xx) Restated Consolidated Statement of Other Current Assets enclosed as **Annexure S**
  - (xxi) Restated Consolidated Statement of Revenue from Operations and Other Income enclosed as **Annexure T**
  - (xxii) Restated Consolidated Statement of Cost of Materials & Stores Consumed enclosed as **Annexure U**
  - (xxiii) Restated Consolidated Statement of Changes in Inventories of Finished Goods, Work-In Progress And Stock-In-Trade enclosed as **Annexure V**
  - (xxiv) Restated Consolidated Statement of Employee Benefit Expenses enclosed as **Annexure W**
  - (xxv) Restated Consolidated Statement of Other Expenses enclosed as **Annexure X**
  - (xxvi) Restated Consolidated Statement of Finance Costs enclosed as **Annexure Y**
  - (xxvii) Restated Consolidated Statement of Contingent Liabilities as **Annexure Z**
  - (xxviii) Restated Consolidated Statement of Related Party Transactions enclosed as **Annexure AA**
  - (xxix) Restated Consolidated Statement of Capitalization as at 31<sup>st</sup> December, 2017 (pre-offer) and as adjusted for this offer (post offer) subject to reliance being placed on management representation in respect of post offer figures contained in the Statement of Capitalization enclosed as **Annexure AB**
  - (xxx) Restated Consolidated Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure AC**
  - (xxxi) Restated Consolidated Statement of Tax Shelter enclosed as **Annexure AD**
  - (xxxii) Restated Consolidated Statement of Dividend Declared enclosed as **Annexure AE**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W), in our opinion, the Restated Consolidated Financial Statements for the period ended 31<sup>st</sup> December, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 read with Restated Consolidated Significant Accounting Policies disclosed in Annexure IV are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer Annexure IV) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We did not audit the special purpose financial statements of the Associate and the Partnership Firm, as considered in the Restated Consolidated Financial Statements. The financial statements have been audited by M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W) whose report, to the extent applicable, has been furnished to us by the management, and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information of the Associate and the Partnership Firm is based solely on the report of the said auditors

9. We, M/s. SVK & ASSOCIATES, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 009326 dated September 16, 2016 issued by the “Peer Review Board” of the ICAI.
10. The preparation and presentation of the consolidated financial statements referred to above are based on the Audited consolidated financial statements of the Group and are in accordance with the provisions of the Act and ICDR Regulations. The Consolidated Financial Statements and information referred to above is the responsibility of the Company.
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor this report be construed as a new opinion on any of the consolidated financial statements referred to therein.
12. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
13. In our opinion, the above consolidated financial information contained in **Annexure I** to **Annexure AE** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Consolidated Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
14. Consequently the consolidated financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the consolidated financial information may not necessarily be same as those appearing in the respective audited consolidated financial statements for the relevant years
15. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**16. Auditors’ Responsibility**

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies



**Finecure Pharmaceuticals Limited**

used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

**17. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated consolidated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- (a) In the case of Restated Consolidated Statement of Assets and Liabilities of the Company as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013;
- (b) In the case of the Restated Consolidated Statement of Profit and Loss, of the profit / (loss) of the Company for the Period / Years ended on that date; and
- (c) In the case of the Restated Consolidated Cash Flow Statement, of the cash flows of the Company for the Period / Years ended on that date.

**For, SVK & ASSOCIATES**

**Chartered Accountants**

Firm No. – 118564W

**Shilpang V. Karia**

**Partner**

M. No.: 102114

Place: Ahmedabad

Date: 7<sup>th</sup> February, 2018

**Annexure I:  
Restated Consolidated Statement of Assets and Liabilities:**

**(₹ In Lakhs)**

Particulars	Annexure	As At					
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		₹	₹	₹	₹	₹	₹
<b>(1) Equity &amp; Liabilities</b>							
Shareholders' Funds							
(a) Share Capital	<b>A</b>	1,270.87	127.09	127.09	127.09	127.09	127.09
(b) Reserves & Surplus	<b>B</b>	4,934.40	5,014.00	3,664.09	2,701.26	2,001.63	1,577.06
		<b>6,205.26</b>	<b>5,141.09</b>	<b>3,791.18</b>	<b>2,828.35</b>	<b>2,128.71</b>	<b>1,704.15</b>
<b>(2) Minority Interest</b>	<b>A</b>	<b>2.94</b>	<b>0.19</b>	<b>0.19</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Non Current Liabilities</b>							
(a) Long-term borrowings	<b>C</b>	41.85	93.29	28.71	25.17	1.22	5.82
(b) Deferred tax liabilities (net)	<b>D</b>	66.44	59.87	43.65	26.35	9.37	7.56
(c) Long-term provisions	<b>E</b>	26.95	25.96	18.60	14.30	10.06	7.48
		<b>135.25</b>	<b>179.11</b>	<b>90.96</b>	<b>65.82</b>	<b>20.65</b>	<b>20.87</b>
<b>(4) Current liabilities</b>							
(a) Short-term borrowings	<b>F</b>	259.55	-	-	-	61.31	133.76
(b) Trade payables	<b>G</b>						
– Dues to Micro & Small Enterprises		2.63	2.56	2.40	2.82	0.80	-
– Dues to Other Than Micro & Small Enterprises		1,489.27	956.61	1,279.05	870.10	741.69	513.16
(c) Other current liabilities	<b>H</b>	406.43	472.75	412.93	340.36	216.48	147.82
(d) Short-term provisions	<b>I</b>	213.08	105.08	106.85	75.65	26.07	41.33
		<b>2,370.95</b>	<b>1,537.00</b>	<b>1,801.23</b>	<b>1,288.93</b>	<b>1,046.33</b>	<b>836.06</b>
<b>Total</b>		<b>8,714.40</b>	<b>6,857.39</b>	<b>5,683.56</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>

<b>Assets</b>							
<b>(4) Non-current assets</b>							
(a) Fixed Assets	<b>J</b>						
- Property, Plant & Equipment		1,845.37	1,800.93	1,236.29	969.75	873.43	810.20
- Intangible Assets		-	-	-	-	-	-
- Capital Work-In-Progress		2,013.90	1,564.57	921.50	673.10	40.61	-
(b) Goodwill on Consolidation	<b>K</b>	10.64	10.79	5.70	-	-	-
(c) Non-current investments	<b>K</b>	291.00	98.83	130.92	285.72	170.29	140.29
(d) Long-term loans and advances	<b>L</b>	103.09	64.08	51.99	20.39	15.08	15.11
(e) Other non-current assets	<b>M</b>	11.04	-	-	-	-	-
		<b>4,275.06</b>	<b>3,539.20</b>	<b>2,346.40</b>	<b>1,948.97</b>	<b>1,099.42</b>	<b>965.60</b>
<b>(5) Current Assets</b>							
(a) Current Investments	<b>N</b>	24.59	-	19.28	15.73	12.41	14.44
(b) Inventories	<b>O</b>	1,475.96	1,214.09	1,146.20	1,023.23	911.80	628.85
(c) Trade Receivables	<b>P</b>	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83
(d) Cash & Bank Balances	<b>Q</b>	491.11	652.55	796.93	210.41	409.33	409.51
(e) Short Term Loans & Advances	<b>R</b>	696.21	180.78	72.39	139.68	76.70	49.35
(f) Other Current Assets	<b>S</b>	-	-	-	-	6.82	7.50
		<b>4,439.34</b>	<b>3,318.18</b>	<b>3,337.16</b>	<b>2,234.12</b>	<b>2,096.28</b>	<b>1,595.47</b>
<b>Total</b>		<b>8,714.40</b>	<b>6,857.39</b>	<b>5,683.56</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>

Note: The above consolidated statement should be read with the restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures II, III and IV respectively.

**Annexure II**  
**Restated Consolidated Statement of Profit and Loss**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
- Revenue From Sale of Services	-	-	-	-	-	-
- Other Operating Income	138.39	47.31	56.83	37.52	50.71	46.72
<b>Net Revenue from operations</b>	<b>8,388.97</b>	<b>9,788.28</b>	<b>8,780.59</b>	<b>6,550.86</b>	<b>4,534.89</b>	<b>3,164.38</b>
Other income	88.74	52.59	47.76	22.37	49.01	26.04
<b>Total Revenue (A)</b>	<b>8,477.71</b>	<b>9,840.87</b>	<b>8,828.35</b>	<b>6,573.23</b>	<b>4,583.90</b>	<b>3,190.42</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35
Changes in inventories of finished goods, WIP and Stock-in-Trade	(2.14)	(190.93)	(46.34)	(59.92)	(40.73)	(56.19)
Employee benefits expense	723.00	753.40	602.21	474.91	343.42	266.56
Other expenses	893.22	1,074.92	957.90	835.98	560.94	495.39
<b>Total Expenses (B)</b>	<b>6,868.21</b>	<b>7,927.86</b>	<b>7,294.83</b>	<b>5,589.90</b>	<b>3,928.30</b>	<b>2,574.11</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1,609.50</b>	<b>1,913.01</b>	<b>1,533.52</b>	<b>983.34</b>	<b>655.60</b>	<b>616.31</b>
Finance costs	22.51	25.30	14.62	10.64	8.30	7.42
Depreciation and amortization expenses	92.64	111.46	101.09	54.79	88.73	84.65
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Exceptional items (D)	-	-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Extraordinary items (F)	-	-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<b>Provision for Tax</b>						
- Current Tax	522.51	432.98	328.58	197.01	130.14	120.79
- Tax adjustment of prior years	(0.05)	(0.17)	2.89	(2.54)	(0.10)	0.57
- Deferred Tax Liability / (Asset)	6.57	16.22	17.30	16.98	1.80	(0.03)

Particulars	Nine Months Ended	For the Year ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
- MAT Credit Entitlement	(116.42)	(43.79)	(16.38)	(13.26)	(16.41)	(14.36)
<b>Tax Expense For The Year (H)</b>	<b>412.62</b>	<b>405.23</b>	<b>332.39</b>	<b>198.20</b>	<b>115.43</b>	<b>106.97</b>
<b>Restated Net Profit after tax before share in profit / (loss) of associate (I=G-H)</b>	<b>1,081.74</b>	<b>1,371.02</b>	<b>1,085.42</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>
<b>Share in Profit / (Loss) of Associate (Net) (J1)</b>	<b>1.56</b>	<b>(1.99)</b>	<b>(72.74)</b>	-	-	-
<b>Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm) (Net) attributable to Minority Interest (J2)</b>	-	<b>(0.01)</b>	<b>(0.01)</b>	-	-	-
<b>Restated Net Profit after Tax from Continuing Operations (K=I+J1-J2)</b>	<b>1,083.29</b>	<b>1,369.03</b>	<b>1,012.68</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>
<b>Net Profit from Discontinuing Operations (L)</b>	-	-	-	-	-	-
<b>Restated Net Profit for the year from total operations (M=K+L)</b>	<b>1,083.29</b>	<b>1,369.03</b>	<b>1,012.68</b>	<b>719.71</b>	<b>443.15</b>	<b>417.26</b>

Note: The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, III and IV respectively

**Annexure III**  
**Restated Consolidated Statement of Cash flows:**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>1.Cash Flow From Operating Activities:</b>						
<b>Net Profit before tax and extraordinary item</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<i>Adjustments for:</i>						
Depreciation and amortization expense	92.64	111.46	101.09	54.79	88.73	84.65
Finance Cost	22.51	25.30	14.62	10.64	8.30	7.42
Interest Received / Other Non Operative Receipts	(22.87)	(29.65)	(18.01)	(10.19)	(32.75)	(15.81)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,586.63</b>	<b>1,883.36</b>	<b>1,515.52</b>	<b>973.15</b>	<b>622.85</b>	<b>600.50</b>
<i>Adjustments for:</i>						
Inventories	(261.87)	(67.88)	(122.97)	(111.43)	(282.96)	(142.89)
Trade Receivables	(480.70)	31.58	(457.28)	(165.86)	(193.39)	(120.32)
Short Term & Long Term Loans & Advances	(481.82)	(104.71)	38.81	(59.82)	(31.23)	13.24
Other Current Assets	-	-	-	6.82	0.68	(1.42)
Trade Payables	532.73	(322.28)	408.52	130.44	229.32	124.00
Other Current Liabilities	(66.32)	59.82	72.58	123.88	68.66	20.62
Short Term & Long Term Provisions	(17.12)	7.54	4.90	17.51	6.75	22.56
Other Non Current Assets	(11.04)	-	-	-	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(786.15)</b>	<b>(395.93)</b>	<b>(55.43)</b>	<b>(58.45)</b>	<b>(202.17)</b>	<b>(84.22)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>800.48</b>	<b>1,487.44</b>	<b>1,460.08</b>	<b>914.69</b>	<b>420.68</b>	<b>516.28</b>
Taxes Paid	352.56	406.74	287.62	153.37	129.14	94.54
<b>Net Cash from Operating Activities</b>	<b>447.93</b>	<b>1,080.69</b>	<b>1,172.47</b>	<b>761.32</b>	<b>291.54</b>	<b>421.74</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(586.41)	(1,319.16)	(616.03)	(784.98)	(192.57)	(232.45)
Interest Received/ Other Non-Operative Receipts	22.87	29.65	18.01	10.19	32.75	15.81
<b>Adjustments for:</b>						
Current & Non-Current Investments	(216.76)	51.37	151.25	(118.75)	(27.97)	(138.55)

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Change in Minority Interest on Consolidation	2.75	(0.01)	0.19	-	-	-
Share in Profit / (Loss) of Associate (Earlier Years)	-	-	(30.73)	-	-	-
Share in Profit / (Loss) of Partnership Firm (Minority Interest)	-	0.01	0.01	-	-	-
Share in Profit / (Loss) of Associate	1.56	(1.99)	(72.74)	-	-	-
Change in Goodwill on Consolidation	0.15	(5.10)	(5.70)	-	-	-
<b>Net Cash from Investing Activities</b>	<b>(775.84)</b>	<b>(1,245.23)</b>	<b>(555.75)</b>	<b>(893.54)</b>	<b>(187.79)</b>	<b>(355.19)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Short term borrowings	259.55	-	-	(61.31)	(72.45)	23.47
Proceeds from Long term borrowings	(51.43)	64.58	3.55	23.94	(4.60)	5.82
Dividend & DDT Paid	(19.12)	(19.12)	(19.12)	(18.70)	(18.59)	(14.87)
Finance Cost	(22.51)	(25.30)	(14.62)	(10.64)	(8.30)	(7.42)
<b>Net Cash from Financing Activities</b>	<b>166.48</b>	<b>20.15</b>	<b>(30.20)</b>	<b>(66.70)</b>	<b>(103.93)</b>	<b>7.00</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(161.44)</b>	<b>(144.39)</b>	<b>586.52</b>	<b>(198.91)</b>	<b>(0.18)</b>	<b>73.55</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>	<b>335.96</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>491.11</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

**Notes:**
**1. Components of Cash & Cash Equivalents:**

Particulars	Nine Months Ended		For the Year ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Cash on Hand	0.69	0.52	7.57	14.71	13.76	11.11
DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
Balances with Scheduled Banks						
In Current Accounts	109.98	187.72	167.70	137.16	10.35	97.73
In Earmarked / Deposit Accounts	380.45	464.24	610.62	45.69	379.65	289.70
<b>Total Cash &amp; Cash Equivalents</b>	<b>491.11</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).
- Figures in Brackets represents outflow.
- The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II and IV respectively

**ANNEXURE-IV**
**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS  
Accompanying Consolidated Financial Statements (As Restated)**
**The Company:**

**FINECURE PHARMACEUTICALS LTD.** (the Company) incorporated under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of Company is U24230GJ2005PLC45724

**Nature of Operations**

The Company is having its manufacturing facilities at Village Shimla Pistaur, Kichha, Rudrapur, Udham Singh Nagar, Uttarakhand and is presently engaged in Manufacturing, Trading & Marketing of Drugs & Pharmaceuticals Items

**I. SIGNIFICANT ACCOUNTING POLICIES:**
**Basis of preparation of Consolidated Financial Statements**

These Consolidated financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 (up to 31st March, 2014) and Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The Consolidated Financial Statements for the period ended 31st December, 2017 and for the year ended 31st March, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Consolidated Financial Statements for the year ended on 31 March 2014 and 31 March 2013 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited consolidated financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years

The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

**Principles of Consolidation**

- (a) The Consolidated Financial Statements are prepared in accordance with principles and procedures required for preparation and presentation of Consolidated Financial Statements as laid down under Accounting Standard 21 "Consolidated Financial Statements". The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (b) The Financial Statements of the Associate Company are being consolidated based on one-line consolidation method, meaning thereby, share in profit / (loss) of the Associate Company is being directly consolidated in the statement of profit and loss and the Financial Statements of Partnership Firm are being merged on a line-by-line basis by adding together the book values of like items of

## Finecure Pharmaceuticals Limited

assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits or losses unless cost can't be recovered, thereby resulting into Goodwill on Consolidation of Partnership Firm. Both the financial statements have been drawn up to the same reporting date as that of the company.

- (c) As per the terms of partnership deed, the company has differential interest in the assets and liabilities in the partnership firm. Adjustment to the interest arising due to change in assets and liabilities are adjusted to goodwill and minority interest of the Group.
- (d) The excess / shortfall of cost to the Parent Company of its investment over its share of equity in the consolidated partnership firm at the respective dates on which the investment in such firm was made is recognized in the consolidated financial statements as goodwill / capital reserve. Goodwill is tested for impairment at the end of each accounting period.
- (e) Minority interest in the net assets of consolidated partnership firm consists of the amount of equity attributable to the minority shareholders / partners at the date on which investments in the partnership firm were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss for the period of partnership firm attributable to the minority interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the Company.
- (f) Following Associate Company and Subsidiary Partnership Firm have been considered in the preparation of the Consolidated Financial Statements:

Sr. No.	Name of Entity	% of Ownership held by the Company as at					
		31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
1	<b>Finebiotics Pharma Ltd</b> (Consolidated as Associate Company)	38.84%	30.13%	33.07%	NA	NA	NA
2	<b>Finecure Medisciences</b> (Previously known as Modern Door Devices) (Partnership Firm consolidated as Subsidiary firm)	99.40%	99.90%	99.90%	NA	NA	NA

### Use of estimates

The preparation of consolidated financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

### Change in accounting estimate

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these consolidated financial statements:

#### 1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Sales of Goods:**

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Purchases & Sales are recorded net of duties & taxes.

**Other Operating Revenue / Other Income:**

Other Operating Incomes & Other Income are recognized on accrual basis in the year in which right to receive the same is established.

**Interest:**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**2. Tangible Fixed assets**

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat/ other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized. Long-term leasehold assets are capitalized under fixed assets.

**3. Depreciation**

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. For the period after 01/04/2014, the depreciation on fixed assets is on Straight Line Method (SLM) at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted through retained earnings in FY 14-15.

**The details of useful life of an asset and its residual value estimated by the management are as follows:-**

Type of Asset*	Useful Life as per Schedule II from April 1, 2014	Rates Applied FY 12-13 & 13-14
Factory Building	30 Years	10.00%
Office Building	60 Years	5.00%
Residential Building	60 Years	NA
Leasehold Land	99 Years	NA
Plant & Machineries	15 Years	13.91%
Vehicles (Motor Cars)	8 Years	25.89%
Vehicles (Two Wheelers)	10 Years	25.89%
Office Equipment	5 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Computers & Software	3 Years	40.00%
Servers & Networks	6 Years	40.00%

*\*In none of the case the residual value of an asset is more than five per cent of the original cost of the asset*

**4. Investments**

Investments are classified Current Investments and Non-Current Investments. Current Investments comprises of Equity Shares of Listed Entities being traded on recognized stock exchange and are valued at cost. Non-Current Investments comprises of Investment in Associate Company, Investment in Partnership Firm and Investments in Quoted Equity Shares. Non-Current Investments are stated at cost. A provision for diminution in the value of Investments is made for each investment individually if such decline is other than temporary. Unquoted Consolidated Investments are adjusted for share in profit / (loss) of Associate and Partnership Firm, consolidated as subsidiary firm.

**5. Inventories**

Inventories of Raw Materials, Semi-Finished Goods and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs which are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**6. Retirement Benefits & Other Employee benefits**
**Defined-contribution plans:**

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

**Defined-benefit plans:**

Provision for gratuity liability is provided based on actuarial valuation made covering all the period. Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

**7. Foreign exchange transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

**8. Lease accounting**

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of statement of profit and loss. Initial direct costs in respect of the lease acquired are expensed out in the year in which such costs are incurred.

**9. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**10. Taxes on income**

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

**Current tax** -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

**Deferred tax** -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassess realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the

Balance Sheet date.

# **11. Earnings per share:**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the consolidated financial statements are approved by the board of directors, if any.

# **12. Proposed Dividend**

Dividend recommended by the Board of Directors is provided for in the books of accounts of respective financial year

# **13. Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent liabilities are disclosed by way of notes to the accounts. Contingent assets are not recognized.

# **14. Cash & Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank & on hand and Cheques / Demand Draft on hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

# **15. Segment Reporting**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as Manufacturing, Trading & Marketing of Drugs & Pharmaceuticals Items". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable

# **16. Corporate Social Responsibility (CSR) Expenditure**

(₹ In Lakhs)

Particulars	For the year					
	For the Period Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Gross amount required to be spent by the company during the year	27.94	19.67	13.47	8.26	-	-
Gross amount spent by the company during the year	4.04	28.44	28.87	1.30	-	-

**II. NOTES TO RESTATED SUMMARY STATEMENT:**

The consolidated financial statements for the year ended March 31, 2013 and year ended March 31, 2014 are prepared as per the revised schedule VI and financial statements for the year ended March 31, 2015, year ended March 31, 2016, year ended March 31, 2017 and period ended December 31, 2017 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III. The adoption of revised schedule VI and Schedule III for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these consolidated financial statements.

**1. Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

**2. Disclosure as required u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006**
**(₹ In Lakhs)**

Particulars	Nine Months Ended	For the Year ended				
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(a) Principal amount remaining unpaid to any supplier at the end of the year. (Restated)	2.63	2.56	2.40	2.82	0.80	-
(b) Interest due on above	-	-	-	-	-	-
(c) Amount of interest paid by the company to the suppliers	-	-	-	-	-	-
(d) Amount paid to the suppliers beyond respective due dates	-	-	-	-	-	-
(e) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act.	-	-	-	-	-	-
(f) Amount of interest accrued and remaining unpaid at the end of the year.	-	-	-	-	-	-
(g) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-	-	-	-	-

**3.** Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-AA of the enclosed consolidated financial statements.

**4.** Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

Particulars	Nine Months Ended	For the Year ended				
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	76.44	69.17	50.04	31.21	12.85	10.06
(DTA) on account of gratuity provision	(10.00)	(9.31)	(6.40)	(4.86)	(3.48)	(2.49)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>66.44</b>	<b>59.87</b>	<b>43.65</b>	<b>26.35</b>	<b>9.37</b>	<b>7.56</b>

**5. Directors' Remuneration:**

(₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Directors' Salary	11.32	12.22	10.76	9.38	9.29	7.66
<b>Total</b>	<b>11.32</b>	<b>12.22</b>	<b>10.76</b>	<b>9.38</b>	<b>9.29</b>	<b>7.66</b>

**6. Auditors' Remuneration:**

(₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
a. As Auditors						
Statutory Audit Fees *	0.35	0.50	0.54	0.15	0.15	0.15
Tax Audit Fees *	-	0.30	0.15	0.10	0.10	0.09
Certification Fees *	0.15	0.20	0.10	0.05	0.05	0.04
<b>Total</b>	<b>0.50</b>	<b>1.00</b>	<b>0.79</b>	<b>0.30</b>	<b>0.30</b>	<b>0.28</b>

\* Excluding Service Tax / GST

**7. Earnings Per Share :**

Earnings per Share have been calculated as under:

(₹ In Lakhs except EPS)

Particulars	Nine Months Ended	For the Year ended				
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
A. Number of Shares at the beginning of the year	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Shares issued during the year	-	-	-	-	-	-
- Allotment (Bonus Issue) (8th December, 2017)	11,437,785	-	-	-	-	-
B. Total Number of equity shares outstanding at the end of the year	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
D. Net profit after tax available for equity shareholders (as	1,083	1,369	1,013	720	443	417

Particulars	For the Year ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13

restated)

E. Basic and Diluted earnings per share (₹) (D/C)	8.52	10.77	7.97	5.66	3.49	3.28
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8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

**11. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

**(a) Defined Benefit Plan (Gratuity)**

(₹ In Lakhs)

Particulars	For the Year ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
	₹	₹	₹	₹	₹	₹

**1. The amounts recognized in the Balance Sheet are as follows:**

Present value of unfunded obligations recognized	28.89	26.89	19.34	14.98	10.72	7.69
<b>Net Liability</b>	<b>28.89</b>	<b>26.89</b>	<b>19.34</b>	<b>14.98</b>	<b>10.72</b>	<b>7.69</b>

**2. The amounts recognized in the Profit & Loss A/c are as follows:**

Current Service Cost	5.23	6.61	5.19	4.11	3.40	7.69
Interest on Defined Benefit Obligation	1.56	1.45	1.12	0.80	0.58	-
Net Actuarial Losses / (Gains) Recognized in Year	(4.79)	(0.51)	(1.95)	(0.65)	(0.94)	-
Past Service Cost	-	-	-	-	-	-
Total, Included in "Salaries, allowances & welfare"	-	-	-	-	-	-
	<b>2.00</b>	<b>7.54</b>	<b>4.37</b>	<b>4.25</b>	<b>3.03</b>	<b>7.69</b>

**3. Changes in the present value of defined benefit obligation:**

Defined benefit obligation as at the beginning of the year/period	26.89	19.34	14.98	10.72	7.69	-
Service cost	5.23	6.61	5.19	4.11	3.40	7.69
Interest cost	1.56	1.45	1.12	0.80	0.58	-
Actuarial Losses/(Gains)	(4.79)	(0.51)	(1.95)	(0.65)	(0.94)	-
Past Service Cost	-	-	-	-	-	-

Particulars	For the Year ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
	₹	₹	₹	₹	₹	₹
<b>Defined benefit obligation as at the end of the year/period</b>	<b>28.89</b>	<b>26.89</b>	<b>19.34</b>	<b>14.98</b>	<b>10.72</b>	<b>7.69</b>
<b>Current / Non-Current Liability</b>						
Current Liability (classified as Short Term Provision)	1.93	0.93	0.74	0.67	0.66	0.21
Non-Current Liability (classified as Long Term Provision)	26.95	25.96	18.60	14.30	10.06	7.48
	<b>28.89</b>	<b>26.89</b>	<b>19.34</b>	<b>14.98</b>	<b>10.72</b>	<b>7.69</b>
<b>Benefit Description</b>						
Benefit Type	Benefit of Gratuity Valuation as per Act					
Retirement Age:	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
<b>The principal actuarial assumptions for the above are:</b>						
Future Salary Rise:	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Discount rate per annum:	7.75% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.
Withdrawal Rate: (Per Annum)	5.00% p.a.					
Mortality Rate:	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	LIC 94-96 Ultimate

#### (b) Defined Contribution Plans

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme and Employees' State Insurance Scheme. Contributions to Provident Fund & Employees State Insurance are included under head Employee Benefit Expenses in the Statement of profit and loss.

Particulars	For the Year ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Employees Provident Fund (EPF)	15.44	17.21	12.80	10.18	6.96	5.24
Employees State Insurance (ESI)	5.84	4.31	3.34	3.67	3.37	3.44

#### 12. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

#### 13. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 14. Amounts in the Consolidated Financial Statements

Amounts in the consolidated financial statements are rounded off to nearest Lakhs rupees. Figures in brackets indicate negative values

**15. Previous year's figures**

The Revised Schedule VI has become effective from 1 April, 2011 and Schedule III has become effective from 1st April, 2014 for the preparation of consolidated financial statements. This has significantly impacted the disclosure and presentation made in the consolidated financial statements. Figures for the year ended March 31, 2011 wherever dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

**16. Leases**
**Operating Lease**

Operating leases are mainly in the nature of office rent and godown rent with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

**Lease payments recognized in statement of profit & loss:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended		For the Year ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Lease Rentals Paid / Provided for	4.11	4.98	4.98	4.98	4.98	3.43

**17. Material Adjustments**

Appropriate adjustments have been made in the restated consolidated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

**Statement of Adjustments in the Consolidated Financial Statements:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended		For the Year ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: <b>(A1)</b>	1,102.72	1,391.30	1,053.14	723.74	441.36	420.53
Add / (Less) : Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm) <b>(A2)</b>	-	(5.10)	(6.33)	-	-	-
Net Profits after tax and extraordinary items as per audited accounts <b>(Consolidated)</b> but before Adjustments: <b>(A=A1+A2)</b>	1,102.72	1,386.20	1,046.81	723.74	441.36	420.53
<b>Adjustment on Account of :</b>						
<b>1. Add / (Less) :</b>	-	19.34	(4.37)	(4.25)	(3.03)	(7.69)
Adjustment of Gratuity Provision						
<b>2. Add / (Less) :</b>	(1.62)	(9.54)	0.17	0.51	0.98	2.49
Adjustment of Deferred Tax Provision						
<b>3. Add / (Less) :</b>	15.03	0.15	0.93	(8.89)	7.82	-
Adjustment of Foreign						

Particulars	Nine Months Ended	For the Year ended				
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Exchange Rate Difference						
4. Add / (Less) : Adjustment of ROC Exps. For Increase in Authorized Share Capital	(18.11)	-	-	-	-	-
5. Add / (Less) : Adjustment of Interest on Fixed Deposits	3.31	-	-	-	-	-
6. Add / (Less) : Adjustment of CSR Expenditure	(4.04)	(28.44)	(28.87)	(1.30)	-	-
7. Adjustment of IT Provision	(13.99)	1.31	(1.99)	9.92	(3.98)	1.93
Total (B)	(19.43)	(17.18)	(34.13)	(4.03)	1.79	(3.27)
Net Profit as Restated (A+B)	1,083.29	1,369.03	1,012.68	719.71	443.15	417.26

#### **NOTE ON RESTATEMENTS:-**

##### **1. Provision of Gratuity**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.

##### **2. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated carry forward losses, restated unpaid leave and gratuity, restated closing WDV's as per books and as per income tax act.

Deferred Tax Liability as on 31st March, 2012 has not been worked out in the books of accounts of the company and the same has been adjusted in the opening reserves as on 1st April 2012 as under:

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
<b>Securities Premium Account</b>		
Balance as per last consolidated financial statements		88.04
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last consolidated financial statements	1,094.23	
Less : Deferred Tax Liability as at 31st March, 2012	(7.60)	
Surplus in Statement of Profit & Loss (Restated) Opening 1st April, 2012		1,086.63
<b>Total Opening Reserves (Restated)</b>		<b>1,174.67</b>

##### **3. Adjustment of Foreign Exchange Rate Difference**

Adjustment of foreign exchange rate difference is on account of valuing monetary items outstanding at year end at closing exchange rate prevailing at respective year end, which is in line with AS-11

**4. ROC Fees for Increase in Authorized Share Capital**

ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non-current assets) as per Audited Financial Statements (AFS)

**5. Adjustment of Interest on Fixed Deposits**

Interest Accrued on Certain Fixed Deposits for the period ended 31st December, 2017 booked in Restated Financial Statements

**6. Adjustment of CSR Expenditure**

Year wise CSR Expenditure incurred by the company has been charged to restated statement of profit & loss whereas the same has been written off / debited against reserves and surplus in audited financial statements.

**7. Adjustment of IT Provision**

Adjustment of IT Provision is on account of restated taxable income arrived on after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

**8. Material Regrouping in Restated Consolidated Financial Statements**

Appropriate adjustments have been made in the Restated Consolidated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company for the period ended December 31, 2017 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated consolidated financial statements:

**Table 1: Reconciliation of Long Term Provisions**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)

						(₹ In Lakhs)
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term Provisions as per AFS						
Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	26.95	25.96	18.60	14.30	10.06	7.48
Long Term Provisions as Restated	26.95	25.96	18.60	14.30	10.06	7.48

**Table 2: Reconciliation of Short Term Borrowings**

Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)

						(₹ In Lakhs)
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Borrowings as per AFS	326.84	64.58	26.23	1.22	65.91	137.92
Current Maturity of Long Term Deb	(67.29)	(64.58)	(26.23)	(1.22)	(4.60)	(4.16)
Short Term Borrowings as Restated	259.55	-	-	(0.00)	61.31	133.76

**Table 3: Reconciliation of Trade Payables**

Trade Payables adjusted for effect of Foreign Exchange Rate Difference as per AS-11 : Effect of Changes in Foreign Exchange Rates

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Trade Payables as per AFS : (A1)	1,491.90	958.82	1,281.10	872.92	750.25	513.16
Add : Trade Payables of Partnership Firm (Subsidiary Firm) (A2)	-	0.35	0.35	-	-	-
Trade Payables as per AFS after Consolidation : (A=A1+A2)	1,491.90	959.17	1,281.45	872.92	750.25	513.16
Foreign Exchange Rate Difference	-	-	-	-	(7.77)	-
Trade Payables as per Restated	1,491.90	959.17	1,281.45	872.92	742.48	513.16

**Table 4 : Reconciliation of Other Current Liabilities**

- 1) Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)
- 2) Advance to employees (debit balance) restated under Short Term Loans & Advances instead of Other Current Liabilities as per Audited Financial Statements (AFS)
- 3) Closing Gratuity Provision restated under Long Term Provision and Short Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)
- 4) Effect of Foreign Exchange Rate Difference given to Advances Received from Customers (AFC) in foreign currency and outstanding as at year end.

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Current Liabilities as per AFS	368.02	433.47	385.64	336.98	211.60	143.16
Current Maturity of Long Term Debt	67.29	64.58	26.23	1.22	4.60	4.16
Advance to Employees	-	1.59	0.91	0.66	0.36	0.49
Gratuity Provision	(28.89)	(26.89)	-	-	-	-
Effect of Foreign Exchange Rate Difference in Advances Received from Customers (AFC)	-	-	0.15	1.49	(0.08)	-
Other Current Liabilities as Restated	406.43	472.75	412.93	340.36	216.48	147.82

**Table 5 : Reconciliation of Short Term Provisions**

- 1) Closing Gratuity Provision restated under Short Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)
- 2) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Provisions as per AFS	204.34	111.34	111.98	82.84	23.36	43.05
Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	1.93	0.93	0.74	0.67	0.66	0.21
Diff in IT Provision	6.80	(7.19)	(5.87)	(7.87)	2.05	(1.93)
Short Term Provisions as	213.08	105.08	106.85	75.65	26.07	41.33

Restated

**Table 6 : Reconciliation of Fixed Assets**

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Fixed Assets as per AFS : (A1)	3,859.27	3,210.22	1,997.42	1,642.86	914.04	810.20
Add : Fixed Assets of Partnership Firm (Subsidiary Firm) (A2)	-	155.27	160.37			
Fixed Assets as Restated after Consolidation : (A=A1+A2)	3,859.27	3,365.50	2,157.80	1,642.86	914.04	810.20

**Table 7: Reconciliation of Non-Current Investments**

- Investments in Quoted Equity Shares of Listed Entities transacted through recognized stock exchanges and readily available for sale / transfer have been restated under Current Investments instead of Non-Current Investments as per Audited Financial Statements (AFS)
- Investment in Partnership Firm Consolidated in Restated Financial Statements for FY 15-16, FY 16-17 and the Nine months period ended on December 31, 2017 and also the resultant share in profit / (loss) of partnership firm consolidated in restated financial statements, whereas not done so in audited financial statements.

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Non-Current Investments as per AFS	327.02	306.59	352.86	301.45	182.71	154.73
Investment in Quoted Shares	(24.59)	-	(19.28)	(15.73)	(12.41)	(14.44)
(Less) : Cost of Investment in Partnership Firm	-	(196.33)	(196.33)	-	-	-
Add / (Less) : Share in Profit / (Loss) of Partnership Firm	(11.42)	(11.42)	(6.33)	-	-	-
Non-Current Investments as Restated	291.00	98.83	130.92	285.72	170.29	140.29

**Table 8: Reconciliation of Current Investments**

- Investments in Quoted Equity Shares of Listed Entities transacted through recognized stock exchanges and readily available for sale / transfer have been restated under Current Investments instead of Non-Current Investments as per Audited Financial Statements (AFS)
- Investment in Partnership Firm consolidated in Restated Financial Statements for FY 15-16 and FY 16-17 and also the resultant share in profit /(loss) of partnership firm consolidated in restated financial statements, whereas not done so in audited financial statements. However, during the nine months period ended 31<sup>st</sup> December 2017, the said firm has been consolidated in audited financial statements also.

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Current Investments as per AFS	-	-	-	-	-	-
Investment in Quoted Shares	24.59	-	19.28	15.73	12.41	14.44
Current Investments as Restated	24.59	-	19.28	15.73	12.41	14.44

**Table 9: Reconciliation of Long Term Loans & Advances**

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term Loans & Advances as per AFS: (A1)	103.09	34.43	22.33	20.39	15.08	15.11
Add : Long Term Loans & Advances of Partnership Firm (Subsidiary Firm) (A2)	-	29.65	29.65	-	-	-
Long Term Loans & Advances as Restated after Consolidation : (A=A1+A2)	103.09	64.08	51.99	20.39	15.08	15.11

**Table 10: Reconciliation of Other Non-Current Assets**

ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non current assets) as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Non-Current Assets as per AFS	29.16	-	-	-	-	-
Share Issue Expenses	(18.11)	-	-	-	-	-
Other Non-Current Assets as Restated	11.04	-	-	-	-	-

**Table 11: Reconciliation of Trade Receivables**

Effect of Foreign Exchange Rate Difference given to Trade Receivables in foreign currency and outstanding as at year end.

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Trade Receivables as per AFS	1,751.47	1,270.77	1,302.35	844.66	679.25	485.83
Effect of Foreign Exchange Rate Difference in Trade Receivables	-	-	-	0.42	(0.03)	-
Trade Receivables as Restated	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83

**Table 12 : Reconciliation of Cash & Cash Equivalents**

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Cash & Cash Equivalents as per AFS : (A1)	472.78	651.45	795.83	210.41	409.33	409.51
Add : Cash & Cash Equivalents of Partnership Firm (Subsidiary Firm) (A2)	-	1.10	1.10	-	-	-
Foreign Exchange Rate Difference Gain booked on monetary items (A3)	15.03	-	-	-	-	-
Interest Accrued on Certain Fixed Deposits for the period ended 31st December, 2017 booked in Restated Financial Statements (A4)	3.31	-	-	-	-	-

Cash & Cash Equivalents as Restated after Consolidation : <b>(A1+A2+A3+A4)</b>	491.11	652.55	796.93	210.41	409.33	409.51
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**Table 13: Reconciliation of Short Term Loans & Advances**

Advance to employees (debit balance) restated under Short Term Loans & Advances instead of Other Current Liabilities as per Audited Financial Statements (AFS)

<b>(₹ In Lakhs)</b>						
<b>Particulars</b>	<b>31-12-2017</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Short Term Loans & Advances as per AFS : <b>(A1)</b>	696.21	179.15	71.43	139.01	76.34	48.86
Add : Short Term Loans & Advances of Partnership Firm (Subsidiary Firm) <b>(A2)</b>	-	0.04	0.04	-	-	-
Short Term Loans & Advances as per AFS after Consolidation : <b>(A=A1+A2)</b>	696.21	179.20	71.48	139.01	76.34	48.86
Advance to Employees	-	1.59	0.91	0.66	0.36	0.49
Short Term Loans & Advances as Restated	696.21	180.78	72.39	139.68	76.70	49.35

**Table 14: Reconciliation of Revenue from Sale of Products (Consolidated)**

<b>(₹ In Lakhs)</b>						
<b>Particulars</b>	<b>31-12-2017</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Revenue from Sale of Products as per AFS :	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
Add : Proportionate Share in Sales of Partnership Firm (Post Acquisition)	-	-	-	-	-	-
Revenue from Sale of Products as Restated	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66

**Table 15: Reconciliation of Other Income**

- 1) Business Support Charges, Dossier Fees, Duty Drawback on Export, Export Incentive Income (MEIS Receivable), Freight Packing & Forwarding Charges Recovered, Product Cylinder- Processing Charges, Product Permission Charges and Packing Material Inventory Charges restated under Other Operating Income instead of Other Income as per Audited Financial Statements (AFS)
- 2) Balance items of income i.e. Discount Received / Price Difference, Dividend, Foreign Exchange Gain (Net), Packing & Forwarding Charges Recovered, Interest on Term Deposits, Interest on IT Refund, Profit/(Loss) on Sale of Shares, Excise Duty - ARE1, Packing Material rejection charges, Sales Promotion Charges Recovered only disclosed under Other Income in Restated Financial Statements.
- 3) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Other Expenses as per Audited Financial Statements (AFS)
- 4) Adjustment of foreign exchange rate difference on account of valuing monetary items outstanding at year end at closing exchange rate prevailing at respective year end, which is in line with AS-11

<b>(₹ In Lakhs)</b>						
<b>Particulars</b>	<b>31-12-2017</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>1.) Other Operating Income (Restated) (Annx T)</b>	138.39	47.31	56.83	37.52	50.71	46.72
Other Income Including Foreign Exchange Gain / (Loss) (Restated) (Annx T)	88.74	52.59	47.76	22.37	49.01	26.04
Add : Foreign Exchange Loss debited in Other Expenses	3.07	-	-	-	-	-

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(Less) : Foreign Exchange Gain Booked in Restated FS	(15.03)	-	-	-	-	-
(Less) : Interest on Fixed Deposits Booked	(3.31)	-	-	-	-	-
2.) Other Income before Foreign Exchange Loss	73.48	52.59	47.76	22.37	49.01	26.04
3.) Adjustment of Foreign Exchange Rate Difference	-	(0.15)	(0.93)	8.89	(7.82)	-
<b>Total 1+2+3</b>	<b>211.87</b>	<b>99.75</b>	<b>103.66</b>	<b>68.78</b>	<b>91.90</b>	<b>72.76</b>
Total of Other Operating Income & Other Income as per Audited Financial Statements	211.87	99.75	103.66	68.78	91.90	72.76

**Table 16: Reconciliation of Cost of Materials Consumed (Consolidated)**
**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Cost of Materials Consumed as per AFS :	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35
Add : Proportionate Share in Raw Materials Consumed of Partnership Firm (Post Acquisition)	-	-	-	-	-	-
Cost of Materials Consumed as Restated :	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35

**Table 17: Reconciliation of Finance Cost**

- 1) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2) Interest on Income Tax restated under Finance Cost instead of debited in Provision for Current Tax as per Audited Financial Statements (AFS)

**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Finance Cost as per AFS (A1)	15.23	19.00	9.56	10.15	6.37	7.38
Add : Finance Cost of Partnership Firm (Subsidiary Firm) (A2)	-	0.00	0.00	-	-	-
Finance Cost as per AFS (after consolidation) (A=A1+A2)	15.23	19.00	9.56	10.15	6.37	7.38
Interest on delayed payment of TDS / EPF / Professional Tax / Service Tax & DDT	0.05	0.12	0.08	0.00	0.00	0.05
Interest on Income Tax	7.24	6.18	4.98	0.49	1.93	-
Finance Cost as Restated	22.51	25.30	14.62	10.64	8.30	7.42

**Table 18 : Reconciliation of Depreciation (Consolidated)**
**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Depreciation as per AFS :	92.64	106.36	95.34	54.79	88.73	84.65
Add : Proportionate Share in Depreciation of Partnership Firm (Post Acquisition)	-	5.10	5.75	-	-	-

Depreciation as Restated after Consolidation :	92.64	111.46	101.09	54.79	88.73	84.65
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**Table 19: Reconciliation of Employee Benefit Expense**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.

**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Employee Benefit Exps. as per AFS (A1)	723.00	753.40	597.85	470.65	340.39	258.87
Add: Employee Benefit Exps. of Partnership Firm (Subsidiary Firm) (A2)	-	-	-	-	-	-
Employee Benefit Exps. as per AFS (after consolidation) (A=A1+A2)	723.00	753.40	597.85	470.65	340.39	258.87
Gratuity Provision made in respective years in Restated Financial Statements	-	-	4.37	4.25	3.03	7.69
Employee Benefit Exps. as Restated	723.00	753.40	602.21	474.91	343.42	266.56

**Table 20: Reconciliation of Other Expenses (Selling & Distribution Expenses and Administrative Expenses)**

- 1) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Other Expenses as per Audited Financial Statements (AFS)
- 3) ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non current assets) as per Audited Financial Statements (AFS)

**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Exps. as per AFS (A1)	699.62	837.63	771.89	714.13	475.93	417.07
Add : Other Exps.(Subsidiary Firm) (A2) of Partnership Firm	-	-	0.58	-	-	-
Other Exps. as per AFS (after consolidation) (A=A1+A2)	699.62	837.63	772.47	714.13	475.93	417.07
Interest on delayed payment of TDS / EPF / Professional Tax / Service Tax & DDT	(0.05)	(0.12)	(0.08)	(0.00)	(0.00)	(0.05)
Foreign Exchange Loss debited in Other Expenses restated under Foreign Exchange Rate Difference (Other income)	(3.07)	-	-	-	-	-
ROC Fees for Increase in Authorized Share Capital	18.11	-	-	-	-	-
Other Exps. as Restated	714.61	837.51	772.40	714.13	475.93	417.02

**Table 21: Reconciliation of Reserves & Surplus**

- 1) Opening Provision for Deferred Tax Liabilities as on 1st April 2012 created as per Point No. 17(2) Above
- 2) Year Wise Changes on account of Material Adjustments as per Point No. 17 Above

**(₹ In Lakhs)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Reserves & Surplus as per AFS (A1)	4,967.00	5,031.22	3,687.48	2,713.06	2,010.70	1,587.93
Add / (Less) : Share in Profit / (Loss) of Partnership Firm	(11.42)	(11.42)	(6.33)	-	-	-

**Finecure Pharmaceuticals Limited**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(Subsidiary Firm) (A2)						
Reserves & Surplus (Adjusted) as per AFS (A1+A2)	4,955.58	5,019.79	3,681.15	2,713.06	2,010.70	1,587.93
Opening Deferred Tax Provision (Restated)	-	-	-	-	-	(7.60)
Material Adjustments Year Wise (Refer Point No. 17) (Excluding CSR Exps.)	(15.39)	11.27	(5.26)	(2.72)	1.79	(3.27)
Impact of Material Adjustments of Earlier Years	(5.79)	(17.06)	(11.80)	(9.08)	(10.87)	-
Reserves & Surplus as Restated	4,934.40	5,014.00	3,664.09	2,701.26	2,001.63	1,577.06

**Table 22: Reconciliation of Reserves & Surplus (Standalone & Consolidated)**

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Reserves &amp; Surplus as per Standalone Restated Financial Statements</b>	5,049.73	5,130.89	3,773.90	2,701.26	2,001.63	1,577.06
Add / (Less) : Share in Profit / (Loss) of Associate (Including Earlier Years)	(103.91)	(105.47)	(103.48)	-	-	-
Add / (Less) : Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm)	(11.42)	(11.42)	(6.33)	-	-	-
<b>Reserves &amp; Surplus as per Consolidated Restated Financial Statements</b>	4,934.40	5,014.00	3,664.09	2,701.26	2,001.63	1,577.06

The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL**

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Share Capital</b>						
<b>Authorized Share Capital</b>						
Equity shares of ₹10 each	20,000,000	1,510,000	1,510,000	1,510,000	1,510,000	1,510,000
Share Capital (Amt. ₹ In Lakhs)	2,000.00	151.00	151.00	151.00	151.00	151.00
<b>Issued, Subscribed and Paid up Share Capital</b>						
Equity Shares of ₹ 10 each fully paid up	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Share Capital (Amt. ₹ In Lakhs)	1,270.87	127.09	127.09	127.09	127.09	127.09
<b>Total</b>	<b>1,270.87</b>	<b>127.09</b>	<b>127.09</b>	<b>127.09</b>	<b>127.09</b>	<b>127.09</b>

**Reconciliation of Number Of Shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Equity Shares</b>						
Shares outstanding at the beginning of the year	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Shares Issued during the year	11,437,785	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>12,708,650</b>	<b>1,270,865</b>	<b>1,270,865</b>	<b>1,270,865</b>	<b>1,270,865</b>	<b>1,270,865</b>

Shares in the company held by each shareholder holding more than 5 percent share.



# **Finecure Pharmaceuticals Limited**

Name of Shareholder	31/12/17		31/03/17		31/03/16		31/03/15		31/03/14		31/03/13	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Vikash Rajgarhia	3,065,000	24.12%	306,500	24.12%	458,500	36.08%	458,500	36.08%	458,500	36.08%	458,500	36.08%
Vivek Rajgarhia	1,515,000	11.92%	151,500	11.92%	151,500	11.92%	151,500	11.92%	151,500	11.92%	127,250	10.01%
Vishal Rajgarhia	2,507,000	19.73%	250,700	19.73%	98,700	7.77%	98,700	7.77%	98,700	7.77%	91,700	7.22%
Global Medicines Ltd.	2,881,500	22.67%	288,150	22.67%	288,150	22.67%	288,150	22.67%	288,150	22.67%	320,150	25.19%
Priti Rajgarhia	1,014,000	7.98%	101,400	7.98%	101,400	7.98%	101,400	7.98%	101,400	7.98%	91,425	7.19%
	<b>10,982,500</b>		<b>1,098,250</b>		<b>1,098,250</b>		<b>1,098,250</b>		<b>1,098,250</b>		<b>1,089,025</b>	

## **Shares issued other than cash, bonus issue and shares bought back**

Particulars	Year (Aggregate No. of Shares)					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Equity Shares :</b>						
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	11,437,785	-	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil	Nil
<b>Unpaid Calls</b>	<b>31/12/17</b>	<b>31/03/17</b>				
By Directors	Nil	Nil				
By others	Nil	Nil				

## **Details of Minority Interest in Partnership Firm - "Finecure Medisciences" (Previously Known as Modern Door Devices")**

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Vivek Rajgarhia	0.10%	0.49	0.10%	0.19	0.10%	0.19
Vikash Rajgarhia	0.10%	0.49	-	-	-	-
Vishal Rajgarhia	0.10%	0.49	-	-	-	-
Shwetakshi Rajgarhia	0.10%	0.49	-	-	-	-
Ushadevi Rajgarhia	0.10%	0.49	-	-	-	-

Particulars	As At											
	31/12/17		31/03/17		31/03/16		31/03/15		31/03/14		31/03/13	
Priti Rajgarhia	0.10%	0.49	-	-	-	-	-	-	-	-	-	-
	<b>0.60%</b>	<b>2.94</b>	<b>0.10%</b>	<b>0.19</b>	<b>0.10%</b>	<b>0.19</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>

**Notes:**
**1. Increase in Authorized Capital**

The Company's Authorized Share Capital was ₹ 1,51,00,000/-. The Company has increased its authorized share capital by filing resolution for increase in its authorized capital from ₹ 1,51,00,000/- to 20,00,00,000/- in Extra – Ordinary general meeting held on **6th November, 2017**

**2. Issue of Bonus Shares**

The Company issued 1,14,37,785 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Reserves & Surplus and allotment done on **28th December, 2017**

**3. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

**4. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.**
**5. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.**

**ANNEXURE – B**  
**CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS**

(₹ In Lakhs)

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Securities Premium Account</b>						
Opening Balance	88.04	88.04	88.04	88.04	88.04	88.04
Add: Premium on shares issued during the year	-	-	-	-	-	-
Less: Utilized during the year	-	-	-	-	-	-
<b>Closing Balance (A)</b>	<b>88.04</b>	<b>88.04</b>	<b>88.04</b>	<b>88.04</b>	<b>88.04</b>	<b>88.04</b>
<b>Surplus in Statement of Profit &amp; Loss</b>						
Opening Balance	4,925.96	3,576.05	2,613.22	1,913.58	1,489.02	1,086.63
Add : Profit for the year	1,083.29	1,369.03	1,012.68	719.71	443.15	417.26
Less : Bonus Issue	(1,143.78)	-	-	-	-	-
Less : Share in Profit / (Loss) of Associate (Earlier Years)	-	-	(30.73)	-	-	-
Less : Proposed / Interim Dividend	(15.89)	(15.89)	(15.89)	(15.89)	(15.89)	(12.71)
Less : Tax on Proposed / Interim Dividend	(3.23)	(3.23)	(3.23)	(2.81)	(2.70)	(2.16)
Less : Depreciation due to change in method	-	-	-	(1.38)	-	-
<b>Closing Balance (B)</b>	<b>4,846.36</b>	<b>4,925.96</b>	<b>3,576.05</b>	<b>2,613.22</b>	<b>1,913.58</b>	<b>1,489.02</b>
<b>TOTAL</b>	<b>4,934.40</b>	<b>5,014.00</b>	<b>3,664.09</b>	<b>2,701.26</b>	<b>2,001.63</b>	<b>1,577.06</b>

**Notes:**

1. Company does not have any Revaluation Reserve.
2. Refer **Annexure AE** regarding details of dividend declared.
3. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
4. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-C**  
**CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Long Term Borrowings</b>						
<b>Term Loans and Vehicle Loans</b>						
From Banks & Financial Institutions	41.85	93.29	28.71	25.17	1.22	5.82
<b>TOTAL</b>	<b>41.85</b>	<b>93.29</b>	<b>28.71</b>	<b>25.17</b>	<b>1.22</b>	<b>5.82</b>
<b>Current portion of long-term borrowings, included under Other Current Liabilities</b>	67.29	64.58	26.23	1.22	4.60	4.16
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>109.15</b>	<b>157.87</b>	<b>54.94</b>	<b>26.39</b>	<b>5.82</b>	<b>9.98</b>
<b>The above amount includes:</b>						
Secured Borrowings	109.15	157.87	54.94	26.39	5.82	9.98
Unsecured Borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>109.15</b>	<b>157.87</b>	<b>54.94</b>	<b>26.39</b>	<b>5.82</b>	<b>9.98</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-C
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-C1**  
**CONSOLIDATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(₹ In Lakhs)

**A. Working Capital Facilities & Term Loans from Banks**

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
Secured Borrowings							31/12/17	31/03/17
Kotak Mahindra Bank Ltd.	Working Capital (Cash Credit)	300 Lakhs (as on date) (with Sub-Limit for BG & LC of ₹ 300 Lakhs)	<b>16-17</b> MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.50% p.a. <b>31-12-17</b> MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.30% p.a.	Refer <b>Notes 1, 2 &amp; 3</b> for Primary Security, Collateral Security & Guarantee respectively	On Demand	NA	260	-
Standard Chartered Bank	Term Loan (Office Building) (Office No. 1401, Mondeal Heights)	450 Lakhs	MCLR + Spread @ 0.45% i.e. Effective Interest Rate 9.90% p.a.	Security in form of Property Financed ( <b>Refer Note 4</b> )	180 Monthly Instalment of ₹ 4.81 Lakhs	Nil	50	89
ICICI Bank Ltd.	Term Loan (Resi. Building) (Kings Villa)	30 Lakhs	9.05% p.a.	Security in form of Property Financed ( <b>Refer Note 5</b> )	180 Monthly Instalment of ₹ 0.32 Lakhs	Nil	28	29

**Notes:**
**Kotak Mahindra Bank Ltd. - Cash Credit ₹ 300 Lakhs**

- Primary Security :** First charge on all present and future current and movable assets including movable fixed assets.
- Collateral Security :** Registered Equitable Mortgage of Office No. 306, Third Floor, "Third Eye-One", Commercial Complex, Nr. Panchvati Cross Roads, C. G. Road, Ahmedabad admeasuring about 2730 Sq Ft.
- Guarantee :** Personal Guarantee of Vikash Rajgarhia, Vivek Rajgarhia and Vishal Rajgarhia

**Standard Chartered Bank - Term Loan - Office Building**

- Security :** Registered Equitable Mortgage of Office No. A-1401 (14th Floor), Mondeal Heights, Nr. Wide Angle Multiplex, S. G. Highway, Ahmedabad 380051 admeasuring about 10583 Sq.Ft.



**Finecure Pharmaceuticals Limited**

5. **Security :** Registered Equitable Mortgage of Survey No. 281, Villa No. 91, Kings Villa, Vill: Adroda, Tal: Bavla, Ahmedabad

**ICICI Bank Ltd. - Term Loan - Resi. Building**

C. Business Loans / Vehicle Loans From Banks & Financial Institutions

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
							31/12/17	31/03/17
Kotak Mahindra Prime Ltd.	Vehicle Loan	4,000,000	8.32%	Hypothecation of Vehicle Financed	36 Monthly Instalments of ₹ 1.25 Lakhs Each	Nil	31	40

**ANNEXURE- D**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Opening Balance (A)</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>	<b>₹</b>
Opening Balance (Asset) / Liability Of Deferred Tax	59.87	43.65	26.35	9.37	7.56	7.60
<b>Closing Balances (B)</b>						
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	76.44	69.17	50.04	31.21	12.85	10.06
(DTA) / DTL on account of gratuity provision	(10.00)	(9.31)	(6.40)	(4.86)	(3.48)	(2.49)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>66.44</b>	<b>59.87</b>	<b>43.65</b>	<b>26.35</b>	<b>9.37</b>	<b>7.56</b>
<b>Current Year Provision (B-A)</b>	<b>6.57</b>	<b>16.22</b>	<b>17.30</b>	<b>16.98</b>	<b>1.80</b>	<b>(0.03)</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-E**  
**RESTATED CONSOLIDATED STATEMENT OF LONG-TERM PROVISIONS**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Provision for Gratuity (unfunded)	26.95	25.96	18.60	14.30	10.06	7.48
<b>TOTAL</b>	<b>26.95</b>	<b>25.96</b>	<b>18.60</b>	<b>14.30</b>	<b>10.06</b>	<b>7.48</b>

**Notes:**

1. The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-F**  
**CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS**

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Short Term Borrowings</b>						
From Banks- Cash Credit	259.55	-	-	-	61.31	133.76
<b>TOTAL</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>
<b>Interest accrued but not due, included under Other current liabilities (short-term borrowings)</b>	-	-	-	-	-	-
<b>TOTAL SHORT-TERM</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>
<b>The above amount includes:</b>						
Secured Borrowings	259.55	-	-	-	61.31	133.76
Unsecured Borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-C1
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-G**  
**RESTATED CONSOLIDATED STATEMENT OF TRADE PAYABLES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Trade Payables</b>						
For Goods & Expenses - Micro, Small & Medium Enterprises	2.63	2.56	2.40	2.82	0.80	-
For Goods & Expenses - Others	1,489.27	956.61	1,279.05	870.10	741.69	513.16
<b>TOTAL</b>	<b>1,491.90</b>	<b>959.17</b>	<b>1,281.45</b>	<b>872.92</b>	<b>742.48</b>	<b>513.16</b>
<b>Of Above, Due Payable to Related Parties</b>						
Directors, Relatives & Entities significantly influenced by directors	3.21	0.80	13.69	148.89	-	0.08

**Notes:**

1. The company has made disclosure u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006 (Refer Note II(2) Notes to Summary Restatements) in Annexure IV
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-H**  
**RESTATED CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES**

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Current maturities of long-term borrowings</b>						
From Banks & Financial Institutions	67.29	64.58	26.23	1.22	4.60	4.16
Duties & Taxes / Statutory Liabilities	10.70	18.98	17.23	9.99	30.68	8.16
Advance from customers	159.41	148.92	182.15	252.98	128.02	97.61
Security Deposits	120.35	195.22	143.54	45.09	31.77	23.76
Other Payables (Salary Payable)	48.67	45.05	43.78	31.07	21.40	14.12
<b>TOTAL</b>	<b>406.43</b>	<b>472.75</b>	<b>412.93</b>	<b>340.36</b>	<b>216.48</b>	<b>147.82</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-I**

**RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM PROVISIONS**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Provisions :</b>						
For Income Tax (Net of Advance Tax & TDS)	211.14	85.03	86.99	56.39	6.83	26.25
Provision for Employee Benefits (Gratuity Provision)	1.93	0.93	0.74	0.67	0.66	0.21
Proposed Dividend	-	15.89	15.89	15.89	15.89	12.71
Tax on Proposed Dividend	-	3.23	3.23	2.70	2.70	2.16
<b>TOTAL</b>	<b>213.08</b>	<b>105.08</b>	<b>106.85</b>	<b>75.65</b>	<b>26.07</b>	<b>41.33</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-J**  
**RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Property, Plant &amp; Equipment (PPE)</b>						
<b><u>Land / Open Plots</u></b>						
Plot Area - Pusparaj	12.52	12.52	12.52	12.52	12.52	12.52
Land- Bavla	123.83	123.83	123.83	123.83	123.83	102.08
<b><u>Leasehold Land - GIDC Sanand</u></b>	388.41	391.37	-	-	-	-
<b><u>Factory Building</u></b>	168.70	174.57	182.60	193.33	196.33	210.42
<b><u>Office Building</u></b>	92.08	93.26	94.84	96.46	86.44	90.99
<b><u>Guest House - Kings Villa - Bavla</u></b>	129.66	131.25	-	-	-	-
<b><u>Land &amp; Site Development</u></b>	8.32	8.32	8.32	8.32	8.32	8.32
<b><u>Plant &amp; Machineries</u></b>						
Plant & Machineries	510.85	492.87	484.41	432.60	394.74	340.14
<b><u>Vehicles</u></b>						
Vehicles	65.17	72.55	15.19	21.35	25.52	22.60
<b><u>Office Equipments and Furniture &amp; Fixtures</u></b>						
Office Equipments	10.63	12.77	12.32	15.84	4.90	5.33
Furniture & Fixtures	54.96	48.04	46.99	48.42	9.16	10.63
<b><u>Computers &amp; Softwares</u></b>						
Computers, Servers & Networks	89.67	84.31	94.91	18.45	11.67	7.17
<b>Total Property, Plant &amp; Equipment</b>	<b>1,654.81</b>	<b>1,645.66</b>	<b>1,075.92</b>	<b>971.13</b>	<b>873.43</b>	<b>810.20</b>
<b>Transferred to Retained Earnings / Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.38)</b>	<b>-</b>	<b>-</b>
<b>Net Property, Plant &amp; Equipment</b>	<b>1,654.81</b>	<b>1,645.66</b>	<b>1,075.92</b>	<b>969.75</b>	<b>873.43</b>	<b>810.20</b>
<b><u>Capital Work-in-Progress</u></b>						
Land & Site Development	111.07	111.07	111.07	107.11	-	-
Office Building - Office No. 306	-	-	-	-	40.61	-
Office Building - Mondeal Heights	1,480.22	1,453.49	677.24	566.00	-	-
Construction on Leasehold Land - Sanand GIDC	269.99	-	-	-	-	-
Guest House - Kings Villa - Bavla	-	-	133.19	-	-	-
Furniture & Fixtures	1.35	-	-	-	-	-
Office Equipments	0.43	-	-	-	-	-
<b>Total Capital Work-in-Progress</b>	<b>1,863.07</b>	<b>1,564.57</b>	<b>921.50</b>	<b>673.10</b>	<b>40.61</b>	<b>-</b>
<b>Total - Finecure Pharmaceuticals Ltd.</b>	<b>3,517.88</b>	<b>3,210.22</b>	<b>1,997.42</b>	<b>1,642.86</b>	<b>914.04</b>	<b>810.20</b>

**Notes:**

- ₹ 51,692 and ₹ 85,982 in case of Computers and Office Equipments have been respectively transferred to Retained Earnings / Reserves on account of useful life of assets already expired / change in method of depreciation

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Property, Plant &amp; Equipment (PPE)</b>						
<b><u>Land / Open Plots</u></b>						
Land	113.64	113.64	113.64	-	-	-
<b><u>Building</u></b>	39.08	34.38	38.20			
<b><u>Plant &amp; Machineries &amp; Electric Fittings</u></b>						
Plant & Machineries & Electric Fittings	7.43	7.23	8.51			
<b><u>Computers &amp; Softwares</u></b>						
Computers, Servers & Networks	0.00	0.00	0.00			
<b><u>Office Equipments and Furniture &amp; Fixtures</u></b>						
Furniture & Fixtures	30.41	0.02	0.03			
<b>Total Property, Plant &amp; Equipment</b>	<b>190.56</b>	<b>155.27</b>	<b>160.37</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Work-in-Progress</b>						
Plant & Machineries	141.79		-			
Furniture & Fixtures	9.05		-			
<b>Total Capital Work-in-Progress</b>	<b>150.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total - Finecure Medisciences</b>	<b>341.39</b>	<b>155.27</b>	<b>160.37</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total Property, Plant &amp; Equipment (PPE)</b>	<b>1,845.37</b>	<b>1,800.93</b>	<b>1,236.29</b>	<b>969.75</b>	<b>873.43</b>	<b>810.20</b>
<b>Grand Total Capital Work-in-Progress</b>	<b>2,013.90</b>	<b>1,564.57</b>	<b>921.50</b>	<b>673.10</b>	<b>40.61</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively.

**ANNEXURE-K**  
**RESTATED CONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS**

(₹ In Lakhs)

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
<b>Non Current Investments</b>												
<b>(Other Than Trade, at Cost)</b>												
<b>Investment in Equity, Unquoted</b>												
Shares of Finebiotics Pharma Ltd. (Previously Known as Finebiotics Pharma Pvt. Ltd.) (Previous to Previously Known as Pharland Healthcare Pvt. Ltd.)	4,467,117	302.43	2,560,999	110.26	2,810,999	137.25	3,260,999	285.72	2,106,699	170.29	1,806,690	140.29
<b>Total (A)</b>	<b>4,467,117</b>	<b>302.43</b>	<b>2,560,999</b>	<b>110.26</b>	<b>2,810,999</b>	<b>137.25</b>	<b>3,260,999</b>	<b>285.72</b>	<b>2,106,699</b>	<b>170.29</b>	<b>1,806,690</b>	<b>140.29</b>
<b>(Refer Note 3 Below)</b>												
<b>Investment in Partnership Firm</b>												
Finecure Medisciences (Previously Known as 'Modern Door Devices')	-	-	-	-	-	-	-	-	-	-	-	-
Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm)	-	(11.42)	-	(11.42)	-	(6.33)	-	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>(11.42)</b>	<b>-</b>	<b>(11.42)</b>	<b>-</b>	<b>(6.33)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Refer Note 4 Below)</b>												
<b>TOTAL</b>	<b>4,467,117</b>	<b>291.00</b>	<b>2,560,999</b>	<b>98.83</b>	<b>2,810,999</b>	<b>130.92</b>	<b>3,260,999</b>	<b>285.72</b>	<b>2,106,699</b>	<b>170.29</b>	<b>1,806,690</b>	<b>140.29</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respective



# **Finecure Pharmaceuticals Limited**

## **1.Particulars of Investments in Associate Company:**

(₹ In Lakhs)

Name of Associate	As At	Country of Incorporation	Original Cost of Investment (Net) [Including Goodwill / (Capital Reserve) included in original cost of	Share of Post Acquisition Reserves & Surplus	Carrying Amount of Investment as at end of the Year
Finebiotics Pharma Ltd. <b>(33.07%)</b>	31/03/2016	India	240.72	(103.48)	137.25
Finebiotics Pharma Ltd. <b>(30.13%)</b>	31/03/2017	India	215.72	(105.47)	110.26
Finebiotics Pharma Ltd. <b>(38.84%)</b>	31/12/2017	India	406.34	(103.91)	302.43

## **2.Particulars of Goodwill on Consolidation of Partnership Firm (Consolidated as Subsidiary firm)**

(₹ In Lakhs)

Name of Partnership Firm (Subsidiary Firm)	As At	Country of Incorporation	Cost of Investment	Share of Net Worth	Goodwill / (Capital Reserve)
Finecure Medisciences (Previously known as Modern Door Devices) <b>(99.90%)</b>	31/03/2016	India	196.33	190.63	5.70
Finecure Medisciences (Previously known as Modern Door Devices) <b>(99.90%)</b>	31/03/2017	India	196.33	185.54	10.79
Finecure Medisciences (Previously known as Modern Door Devices) <b>(99.40%)</b>	31/12/2017	India	497.23	486.59	10.64

**ANNEXURE-L**  
**RESTATED CONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Unsecured, Considered Good unless otherwise stated</b>						
Security Deposits	103.09	64.08	51.99	20.39	15.08	15.11
<b>TOTAL</b>	<b>103.09</b>	<b>64.08</b>	<b>51.99</b>	<b>20.39</b>	<b>15.08</b>	<b>15.11</b>

**Notes:**

1. None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group company.
2. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
3. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-M**  
**RESTATED CONSOLIDATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(₹ In Lakhs)

PARTICULARS	31/12/17	31/03/17	31/03/16	31/03/15	As At 31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Closing Inventories of</b>						
Pre-Operative & Share Issue Expenses (to the extent not written off)	11.04	-	-	-	-	-
<b>TOTAL</b>	<b>11.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS**  
**ANNEXURE-N**

(₹ In Lakhs)

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
<b>Current Investments</b>												
<b>(Traded, Valued at Cost)</b>												
<b>Investment in Equity, Quoted</b>												
Aditya Birla Capital limited	500	1.01	-	-	-	-	-	-	-	-	-	-
Alstom India Limited	-	-	-	-	-	-	50	0.36	-	-	-	-
Akzo Nobel India Limited	-	-	-	-	-	-	75	1.03	-	-	-	-
The Andhra Sugars Limited	-	-	-	-	-	-	-	-	400	0.59	400	0.59
Arihant Capital Markets Limited	500	0.91	-	-	-	-	-	-	-	-	-	-
Ashoka Buildcon Limited	-	-	-	-	150	0.28	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	700	0.43	-	-	-	-
Associated Stone Industries	1,000	0.41	-	-	-	-	-	-	-	-	-	-
Axis Bank Limited	-	-	-	-	100	0.45	-	-	-	-	-	-
Bajaj Electricals Limited	-	-	-	-	1,000	2.28	-	-	-	-	-	-
Bajaj Finance Limited	-	-	-	-	-	-	500	1.41	-	-	19	0.26
Bank of Baroda	-	-	-	-	-	-	-	-	150	1.00	150	1.00
Bharat Forge Limited	100	0.63	-	-	-	-	-	-	-	-	-	-
Bharat Seats Limited	-	-	-	-	-	-	500	0.17	-	-	-	-
Brigade Enterprises Limited	-	-	-	-	250	0.38	-	-	-	-	-	-
Capital First Limited	-	-	-	-	150	0.56	-	-	-	-	-	-
Career Point Limited	-	-	-	-	370	0.50	-	-	-	-	-	-
Credit Analysis & Research Limited	-	-	-	-	50	0.54	-	-	-	-	-	-
Century Plyboards India Limited	-	-	-	-	250	0.46	-	-	-	-	-	-
Century Textiles and Industries Limited	50	0.65	-	-	-	-	-	-	-	-	-	-
CG Power and Industrial Solutions Limited	1,000	0.82	-	-	-	-	-	-	-	-	-	-
Cholamandalam Investment and Fin. Co. Ltd.	-	-	-	-	-	-	50	0.28	-	-	-	-
Ciarichem - B	-	-	-	-	-	-	-	-	-	-	40	0.24
Dewan Housing Finance Corporation Limited	500	2.81	-	-	-	-	-	-	-	-	350	0.85

**Finecure Pharmaceuticals Limited**

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Dhampur Sugar Mills Limited	-	-	-	-	-	-	-	-	500	0.70	500	0.70
Dewan Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	100	0.18
Diligent Media Corporation Limited	250	-	-	-	-	-	-	-	-	-	-	-
EMCO Limited	-	-	-	-	-	-	1,000	0.42	-	-	-	-
Fortis Healthcare Limited	-	-	-	-	-	-	-	-	800	1.32	800	1.32
GE T&D India Limited	500	2.12	-	-	-	-	-	-	-	-	-	-
General Insurance Corporation of India	100	0.81	-	-	-	-	-	-	-	-	-	-
GMDC - A	-	-	-	-	-	-	-	-	300	0.61	300	0.61
GMDC LTD New - EQ	-	-	-	-	-	-	-	-	200	0.42	200	0.42
Godrej Consumer Products Limited	50	0.47	-	-	-	-	-	-	-	-	-	-
Godrej Properties Limited	-	-	-	-	-	-	375	0.99	-	-	-	-
Gujarat State Fertilizers & Chemicals Limited	-	-	-	-	525	0.47	1,250	1.12	-	-	-	-
Hindustan Constuction Co. Limited	-	-	-	-	-	-	-	-	2,500	0.93	1,000	0.72
Housing Development Finance Corporation Ltd	50	0.83	-	-	-	-	-	-	-	-	-	-
IDFC Limited	-	-	-	-	1,800	1.20	200	0.32	-	-	-	-
IL&FS Transportation Networks Limited	-	-	-	-	900	1.02	300	0.56	-	-	-	-
India Energy Exchange Limited	50	0.78	-	-	-	-	-	-	-	-	-	-
Inox Wind Limited	-	-	-	-	875	3.17	-	-	-	-	-	-
Jaihind Projects Limited	-	-	-	-	100	0.24	100	0.24	100	0.24	100	0.24
JSW Energy Limited	-	-	-	-	400	0.39	-	-	-	-	-	-
KEI Industries Limited	-	-	-	-	-	-	1,000	0.59	-	-	-	-
The Kartanaka Bank Limited	-	-	-	-	-	-	300	0.44	-	-	-	-
L & T Finance Holdings Limited	-	-	-	-	-	-	2,000	1.46	-	-	-	-
Laxmi Machine Works Limited	-	-	-	-	-	-	-	-	-	-	20	0.56
Madhucon Projects Limited	-	-	-	-	-	-	-	-	3,250	1.03	450	0.64

**ANNEXURE-N**  
**RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17 Nos	31/12/17 ₹	31/03/17 Nos	31/03/17 ₹	31/03/16 Nos	31/03/16 ₹	31/03/15 Nos	31/03/15 ₹	31/03/14 Nos	31/03/14 ₹	31/03/13 Nos	31/03/13 ₹
Mahasagar Gas Limited	100	1.14	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Limited	100	0.70	-	-	-	-	-	-	-	-	-	-
Mannapurram Finance Limited	1,000	1.08	-	-	-	-	-	-	-	-	-	-
MBL Infrastructures Limited	-	-	-	-	1,000	1.79	-	-	-	-	-	-
NCC Limited	-	-	-	-	1,000	0.82	250	0.23	-	-	-	-
Nectar Lifesciences Limited	-	-	-	-	-	-	-	-	2,000	0.36	2,000	0.36
Nitin Spinners Limited	-	-	-	-	-	-	600	0.17	-	-	-	-
Om Matels Infraprojects Limited	-	-	-	-	1,000	0.53	-	-	-	-	-	-
Patel Engineering Limited	-	-	-	-	-	-	-	-	1,200	1.95	1,200	1.95
PTC India Financial Services Limited	-	-	-	-	-	-	-	-	2,800	0.39	-	-
PNB Gilts Limited	-	-	-	-	-	-	2,000	0.55	-	-	-	-
Praj Industries Limited	-	-	-	-	-	-	2,000	1.28	1,000	0.69	1,000	0.69
RBL Bank Limited	500	2.71	-	-	-	-	-	-	-	-	-	-
Reliance Industries Limited	-	-	-	-	-	-	-	-	100	1.08	100	1.08
Rishi Laser Limited	-	-	-	-	1,200	0.87	1,200	0.87	1,200	0.87	1,200	0.87
Rolta India Limited	-	-	-	-	-	-	200	0.27	-	-	-	-
Sahyadri Industries Limited	500	1.09	-	-	-	-	-	-	-	-	-	-
Skipper Limited	1,000	2.15	-	-	-	-	-	-	-	-	-	-
Subex Limited	-	-	-	-	-	-	-	-	1,000	0.24	1,000	0.24
Suven Lifesciences Limited	-	-	-	-	-	-	-	-	-	-	1,850	0.58
Tech Mahindra Limited	-	-	-	-	200	1.46	200	1.46	-	-	-	-
Thermax Limited	-	-	-	-	100	0.92	75	0.80	-	-	-	-
Trident Limited	-	-	-	-	2,000	0.67	-	-	-	-	-	-
Triveni Turbine Limited	-	-	-	-	-	-	275	0.28	-	-	-	-
Unichem Laboratories Limited	-	-	-	-	-	-	-	-	-	-	200	0.35
Universal Cables Limited	1,000	1.49	-	-	-	-	-	-	-	-	-	-
Visaka Industries Limited	-	-	-	-	250	0.31	-	-	-	-	-	-
Websol Energy Systems Limited	1,000	1.15	-	-	-	-	-	-	-	-	-	-



**Finecure Pharmaceuticals Limited**

Zee Learn Limited	1,000	0.45	-	-	-	-	-	-	-	-	-	-
Zee Media Corporation Limited	1,000	0.36	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,850</b>	<b>24.59</b>	<b>-</b>	<b>-</b>	<b>13,670</b>	<b>19.28</b>	<b>15,200</b>	<b>15.73</b>	<b>17,500</b>	<b>12.41</b>	<b>12,979</b>	<b>14.44</b>
Aggregate Book Value of Quoted Investments	11,850	24.59	-	-	13,670	19.28	15,200	15.73	17,500	12.41	12,979	14.44
Aggregate Market Value of Quoted Investments	11,850	26.17	-	-	13,670	15.19	15,200	14.22	17,500	7.35	12,979	8.32

**ANNEXURE-N**  
**RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS**

Particulars	Units		As at		Units		As at		Units		As at		Units		As at		Units		As at	
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
<b>Market Value of Quoted Investments</b>																				
Aditya Birla Capital limited	500	0.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alstom India Limited	-	-	-	-	-	-	50	1.05	-	-	-	-	-	-	-	-	-	-	-	-
Akzo Nobel India Limited	-	-	-	-	-	-	75	0.36	-	-	-	-	-	-	-	-	-	-	-	-
The Andhra Sugars Limited	-	-	-	-	-	-	-	-	400	0.39	400	0.54	-	-	-	-	-	-	-	-
Arihant Capital Markets Limited	500	0.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ashoka Buildcon Limited	-	-	-	-	150	0.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	700	0.51	-	-	-	-	-	-	-	-	-	-	-	-
Associated Stone Industries	1,000	0.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Axis Bank Limited	-	-	-	-	100	0.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bajaj Electricals Limited	-	-	-	-	1,000	1.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bajaj Finance Limited	-	-	-	-	-	-	500	1.16	-	-	19	0.22	-	-	-	-	-	-	-	-
Bank of Baroda	-	-	-	-	-	-	-	-	150	1.09	150	1.01	-	-	-	-	-	-	-	-
Bharat Forge Limited	100	0.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bharat Seats Limited	-	-	-	-	-	-	500	0.15	-	-	-	-	-	-	-	-	-	-	-	-
Brigade Enterprises Limited	-	-	-	-	250	0.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital First Limited	-	-	-	-	150	0.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Career Point Limited	-	-	-	-	370	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Analysis & Research Limited	-	-	-	-	50	0.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Century Plyboards India Limited	-	-	-	-	250	0.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Century Textiles and Industries Limited	50	0.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CG Power and Industrial Solutions Limited	1,000	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cholamandalam Investment and Fin. Co. Ltd.	-	-	-	-	-	-	50	0.29	-	-	-	-	-	-	-	-	-	-	-	-
Ciarichem - B	-	-	-	-	-	-	-	-	-	-	40	0.19	-	-	-	-	-	-	-	-
Dewan Housing Finance Corporation Limited	500	2.91	-	-	-	-	-	-	-	-	350	0.57	-	-	-	-	-	-	-	-
Dhampur Sugar Mills Limited	-	-	-	-	-	-	-	-	500	0.20	500	0.21	-	-	-	-	-	-	-	-
Dewan Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	100	0.16	-	-	-	-	-	-	-	-

**Finecure Pharmaceuticals Limited**

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Diligent Media Corporation Limited	250	0.03	-	-	-	-	-	-	-	-	-	-
EMCO Limited	-	-	-	-	-	-	1,000	0.33	-	-	-	-
Fortis Healthcare Limited	-	-	-	-	-	-	-	-	800	0.78	800	0.78
GE T&D India Limited	500	2.22	-	-	-	-	-	-	-	-	-	-
General Insurance Corporation of India	100	0.75	-	-	-	-	-	-	-	-	-	-
GMDC - A	-	-	-	-	-	-	-	-	300	0.39	300	0.49
GMDC LTD New - EQ	-	-	-	-	-	-	-	-	200	0.26	200	0.33
Godrej Consumer Products Limited	50	0.50	-	-	-	-	-	-	-	-	-	-
Godrej Properties Limited	-	-	-	-	-	-	375	0.94	-	-	-	-
Gujarat State Fertilizers & Chemicals Limited	-	-	-	-	525	0.34	1,250	1.04	-	-	-	-
Hindustan Constuction Co. Limited	-	-	-	-	-	-	-	-	2,500	0.42	1,000	0.14
Housing Development Finance Corporation Ltd	50	0.86	-	-	-	-	-	-	-	-	-	-
IDFC Limited	-	-	-	-	1,800	0.80	200	0.33	-	-	-	-
IL&FS Transportation Networks Limited	-	-	-	-	900	0.64	300	0.58	-	-	-	-
India Energy Exchange Limited	50	0.81	-	-	-	-	-	-	-	-	-	-
Inox Wind Limited	-	-	-	-	875	2.27	-	-	-	-	-	-
Jaihind Projects Limited	-	-	-	-	100	0.01	100	0.01	100	0.01	100	0.02
JSW Energy Limited	-	-	-	-	400	0.28	-	-	-	-	-	-
KEI Industries Limited	-	-	-	-	-	-	1,000	0.62	-	-	-	-
The Kartanaka Bank Limited	-	-	-	-	-	-	300	0.37	-	-	-	-
L & T Finance Holdings Limited	-	-	-	-	-	-	2,000	1.26	-	-	-	-
Laxmi Machine Works Limited	-	-	-	-	-	-	-	-	-	-	20	0.37
Madhucon Projects Limited	-	-	-	-	-	-	-	-	3,250	0.45	450	0.10
Mahasagar Gas Limited	100	1.09	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Limited	100	0.75	-	-	-	-	-	-	-	-	-	-

**ANNEXURE-N**  
**RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Mannapurram Finance Limited	1,000	1.23	-	-	-	-	-	-	-	-	-	-
MBL Infrastructures Limited	-	-	-	-	1,000	1.53	-	-	-	-	-	-
NCC Limited	-	-	-	-	1,000	0.76	250	0.28	-	-	-	-
Nectar Lifesciences Limited	-	-	-	-	-	-	-	-	2,000	0.49	2,000	0.31
Nitin Spinners Limited	-	-	-	-	-	-	600	0.18	-	-	-	-
Om Matels Infraprojects Limited	-	-	-	-	1,000	0.43	-	-	-	-	-	-
Patel Engineering Limited	-	-	-	-	-	-	-	-	1,200	0.72	1,200	0.68
PTC India Financial Services Limited	-	-	-	-	-	-	-	-	2,800	0.40	-	-
PNB Gilts Limited	-	-	-	-	-	-	2,000	0.60	-	-	-	-
Praj Industries Limited	-	-	-	-	-	-	2,000	1.25	1,000	0.54	1,000	0.39
RBL Bank Limited	500	2.55	-	-	-	-	-	-	-	-	-	-
Reliance Industries Limited	-	-	-	-	-	-	-	-	100	0.92	100	0.77
Rishi Laser Limited	-	-	-	-	1,200	0.24	1,200	0.14	1,200	0.17	1,200	0.17
Rolta India Limited	-	-	-	-	-	-	200	0.32	-	-	-	-
Sahyadri Industries Limited	500	1.38	-	-	-	-	-	-	-	-	-	-
Skipper Limited	1,000	2.70	-	-	-	-	-	-	-	-	-	-
Subex Limited	-	-	-	-	-	-	-	-	1,000	0.09	1,000	0.10
Suven Lifesciences Limited	-	-	-	-	-	-	-	-	-	-	1,850	0.43
Tech Mahindra Limited	-	-	-	-	200	0.95	200	1.26	-	-	-	-
Thermax Limited	-	-	-	-	100	0.76	75	0.80	-	-	-	-
Trident Limited	-	-	-	-	2,000	1.03	-	-	-	-	-	-
Triveni Turbine Limited	-	-	-	-	-	-	275	0.36	-	-	-	-
Unichem Laboratories Limited	-	-	-	-	-	-	-	-	-	-	200	0.34
Universal Cables Limited	1,000	1.79	-	-	-	-	-	-	-	-	-	-
Visaka Industries Limited	-	-	-	-	250	0.26	-	-	-	-	-	-
Websol Energy Systems Limited	1,000	1.12	-	-	-	-	-	-	-	-	-	-
Zee Learn Limited	1,000	0.44	-	-	-	-	-	-	-	-	-	-
Zee Media Corporation Limited	1,000	0.47	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,850</b>	<b>26.17</b>	<b>-</b>	<b>-</b>	<b>13,670</b>	<b>15.19</b>	<b>15,200</b>	<b>14.22</b>	<b>17,500</b>	<b>7.35</b>	<b>12,979</b>	<b>8.32</b>



**Finecure Pharmaceuticals Limited**

(Market Value of Investments as per information provided by the Company)

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-O**  
**RESTATED CONSOLIDATED STATEMENT OF INVENTORIES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Closing Inventories of</b>						
Raw Materials (Including Packing Materials)	935.90	676.17	799.22	722.58	671.07	428.85
Semi-Finished Goods	80.50	-	-	-	25.24	2.40
Finished Goods	459.55	537.91	346.99	300.65	215.49	197.61
<b>TOTAL</b>	<b>1,475.96</b>	<b>1,214.09</b>	<b>1,146.20</b>	<b>1,023.23</b>	<b>911.80</b>	<b>628.85</b>

As taken, valued and certified by the management of the company.

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-P**  
**RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES**

( ₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Outstanding for a period exceeding six months ( <b>Unsecured and considered Good</b> )						
From Entities significantly influenced by directors		-	-	-	6.79	61.72
Others	45.65	48.77	7.35	8.53	5.94	2.36
Outstanding for a period not exceeding 6 months ( <b>Unsecured and considered Good</b> )						
From Entities significantly influenced by directors	-	-	-	44.54	64.25	23.67
Others	1,705.82	1,222.00	1,295.00	792.01	602.24	398.08
<b>TOTAL</b>	<b>1,751.47</b>	<b>1,270.77</b>	<b>1,302.35</b>	<b>845.08</b>	<b>679.22</b>	<b>485.83</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV
3. List of entities classified as 'Entities significantly influence by directors' has been determined by the Management and the same is being relied upon by the Auditor

**ANNEXURE-Q**  
**RESTATED CONSOLIDATED STATEMENT OF CASH & CASH EQUIVALENTS**

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
a. Cash on Hand	0.69	0.52	7.57	14.71	13.76	11.11
b. Balances with Banks						
- In Current Accounts	109.98	187.72	167.70	137.16	10.35	97.73
- In Bank Deposits	292.45	286.40	571.06	19.93	301.60	222.74
- In Earmarked Accounts						
Balances held as margin money or security against borrowings, guarantees and other commitments	87.99	177.83	39.56	25.76	78.05	66.97
c. DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
<b>TOTAL</b>	<b>491.11</b>	<b>652.55</b>	<b>796.93</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively
3. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the MCA notification are as under : -

Particulars	SBNs	Other Denominations	Notes	Total
Closing Cash in hand on 8th November, 2016	4.24	0.82		5.05
Add : Withdrawal from Banks	-	-		-
Add : Permitted Receipts	-	4.79		4.79
Less : Permitted Payments	-	4.57		4.57
Less : Paid for non-permitted transactions	-	-		-
Less : Amount Deposited in Banks	4.24	-		4.24
Closing Cash as on 30th December, 2016	-	1.04		1.04

**ANNEXURE-R**  
**RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Unsecured, Considered Good unless otherwise stated</b>						
Prepaid Expenses	8.64	7.04	14.39	15.45	4.39	5.46
Advance Payment Against Taxes	479.84	69.63	41.19	29.62	16.54	20.45
Advance to Suppliers	181.27	101.34	-	13.58	12.50	6.00
Advance to Employees	4.84	2.73	16.77	11.83	2.15	1.32
Export Benefit-MEIS License Balance	21.58	-	-	-	-	-
Other Deposits	-	-	-	-	0.12	0.12
Advances for Property	-	-	-	69.19	41.00	16.00
Other Receivables	0.04	0.04	0.04	-	-	-
<b>TOTAL</b>	<b>696.21</b>	<b>180.78</b>	<b>72.39</b>	<b>139.68</b>	<b>76.70</b>	<b>49.35</b>
<b>Of Above, Advances Recoverable From</b>						
<b>Related Parties</b>						
Directors & Relatives of Directors (Advance to Employees)	-	1.59	0.91	0.66	0.36	0.49

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively



Finecure Pharmaceuticals Limited

**ANNEXURE-S**  
**CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Stock of Sales Promotional Item	-	-	-	-	6.82	7.50
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.82</b>	<b>7.50</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-T**  
**RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATION**

**RESTATED CONSOLIDATED STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Sale of Manufactured & Processed Goods	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
<b>Net Sale of Manufactured &amp; Processed Goods</b>	<b>8,250.58</b>	<b>9,740.97</b>	<b>8,723.76</b>	<b>6,513.35</b>	<b>4,484.18</b>	<b>3,117.66</b>
<b>Total</b>	<b>8,250.58</b>	<b>9,740.97</b>	<b>8,723.76</b>	<b>6,513.35</b>	<b>4,484.18</b>	<b>3,117.66</b>

**RESTATED CONSOLIDATED STATEMENT OF OTHER OPERATING INCOMES**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Business Support Charges	2.59	-	1.40	0.88	3.10	9.71
Dossier Fee	6.84	15.93	19.40	5.90	11.86	6.89
Duty Drawback on Export	8.76	6.04	3.68	1.65	0.67	0.66
Export Incentive Income (MEIS Receivable)	31.55	-	-	-	-	-
Freight Packing & Forwarding Charges Recovered	82.61	-	-	-	-	-
Product Cylinder- Processing Charges	2.06	13.80	17.38	14.58	12.92	9.37
Product Permission Charges	0.89	2.87	2.24	3.84	7.18	3.14
Packing Material Inventory Charges	3.09	8.67	12.73	10.68	14.98	16.97
<b>Total</b>	<b>138.39</b>	<b>47.31</b>	<b>56.83</b>	<b>37.52</b>	<b>50.71</b>	<b>46.72</b>

**RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME**
**(₹ In Lakhs)**

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Recurring Income:</b>						
Discount Received / Price Difference	9.33	10.68	27.21	13.67	7.74	10.13
Dividend	0.04	0.11	0.25	0.07	0.15	0.20
Foreign Exchange Gain (Net)	48.37	12.27	2.55	(1.49)	7.85	0.10
Interest on Term Deposits	22.83	28.07	16.09	8.25	32.60	15.29
Interest on IT Refund	-	1.46	-	-	-	-
<b>Non-Recurring Income:</b>						
Profit/(Loss) on Sale of Shares	-	-	1.67	1.87	-	0.31
Excise Duty - ARE1	-	-	-	-	0.58	-
Packing Material rejection charges	-	-	-	-	0.08	-
Sales Promotion Charges Recovered	8.17	-	-	-	-	-
<b>Total</b>	<b>88.74</b>	<b>52.59</b>	<b>47.76</b>	<b>22.37</b>	<b>49.01</b>	<b>26.04</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-U**  
**RESTATED CONSOLIDATED STATEMENT OF COST OF RAW MATERIALS & COMPONENTS CONSUMED**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Opening Stock	676.17	799.22	722.58	671.07	428.85	342.15
Add : Purchases (Net)	5,580.02	6,167.43	5,857.68	4,390.43	3,306.89	1,955.05
Less : Transitional Input GST Credit	66.15	-	-	-	-	-
Less : Closing Stock	935.90	676.17	799.22	722.58	671.07	428.85
<b>Raw Materials &amp; Components Consumed</b>	<b>5,254.14</b>	<b>6,290.47</b>	<b>5,781.05</b>	<b>4,338.93</b>	<b>3,064.67</b>	<b>1,868.35</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-V**

**RESTATED CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	(₹ In Lakhs)					
	For the year ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>a. Inventories (at close)</b>						
Finished Goods	459.55	537.91	346.99	300.65	215.49	197.61
Work-In-Progress	80.50	-	-	-	25.24	2.40
<b>Total (a)</b>	<b>540.06</b>	<b>537.91</b>	<b>346.99</b>	<b>300.65</b>	<b>240.73</b>	<b>200.00</b>
<b>b. Inventories (at commencement)</b>						
Finished Goods	537.91	346.99	300.65	215.49	197.61	135.62
Work-In-Progress	-	-	-	25.24	2.40	8.19
<b>Total (b)</b>	<b>537.91</b>	<b>346.99</b>	<b>300.65</b>	<b>240.73</b>	<b>200.00</b>	<b>143.81</b>
<b>Total (b-a)</b>	<b>(2.14)</b>	<b>(190.93)</b>	<b>(46.34)</b>	<b>(59.92)</b>	<b>(40.73)</b>	<b>(56.19)</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV

**ANNEXURE-W**  
**RESTATED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Salary, Wages and Bonus (including directors' remuneration)	686.80	703.61	555.10	444.48	320.25	244.57
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	23.28	29.06	20.51	18.11	13.36	16.38
Staff Welfare Expenses	12.91	20.73	26.61	12.31	9.81	5.61
<b>Total</b>	<b>723.00</b>	<b>753.40</b>	<b>602.21</b>	<b>474.91</b>	<b>343.42</b>	<b>266.56</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-X**  
**RESTATED CONSOLIDATED STATEMENT OF OTHER EXPENSES**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>a. Manufacturing &amp; Operating Cost</b>						
Consumption of Electric, Power and Fuel	98.22	103.09	99.72	81.12	49.44	45.61
Freight Inward	39.68	48.02	35.58	24.53	21.77	17.80
Machinery Repairs & Maintenance	23.27	36.23	14.85	10.96	7.56	9.69
Other Manufacturing & Operating Expenses	13.40	21.64	6.48	3.94	6.25	5.27
<b>Total (a)</b>	<b>174.56</b>	<b>208.96</b>	<b>156.63</b>	<b>120.55</b>	<b>85.01</b>	<b>78.36</b>
<b>b. Sales &amp; Distribution Expenses</b>						
Advertisement	49.52	18.21	49.99	141.50	31.43	34.99
Sales Promotion Expenses	323.16	423.97	462.38	369.75	298.16	247.94
Transportation & Loading Expenses	79.45	13.63	11.55	11.72	9.42	11.63
Bad Debts W/o.	0.97	-	0.23	1.29	-	0.58
Rates & Taxes	0.67	2.89	2.50	0.41	0.02	0.18
<b>Total (b)</b>	<b>453.77</b>	<b>458.70</b>	<b>526.66</b>	<b>524.67</b>	<b>339.03</b>	<b>295.32</b>
<b>c. General &amp; Administration Expenses</b>						
Rent	4.11	4.98	4.98	4.98	4.98	3.43
Rates & Taxes	7.90	4.31	3.51	2.84	2.54	0.59
Conveyance, Tour and Travelling Expenses	36.42	46.66	39.35	31.86	24.93	32.34
Legal & Professional Expenses	58.35	47.42	35.70	35.81	22.09	20.37
Insurance	24.52	38.17	29.46	9.87	6.24	4.77
Preliminary Expenses W/o.	-	-	-	-	-	-
Loss on Disposal of Fixed Assets	-	-	-	-	-	-
Loss on Sale of Shares	-	4.07	-	-	0.25	-
General Administration Expenses	129.56	233.20	132.73	104.10	75.87	60.21
<b>Total (c)</b>	<b>260.85</b>	<b>378.81</b>	<b>245.74</b>	<b>189.46</b>	<b>136.89</b>	<b>121.71</b>
<b>d. CSR Expenditure</b>	4.04	28.44	28.87	1.30	-	-



**Finecure Pharmaceuticals Limited**

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Total (a+b+c+d)</b>	<b>893.22</b>	<b>1,074.92</b>	<b>957.90</b>	<b>835.98</b>	<b>560.94</b>	<b>495.39</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company.
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-Y**  
**RESTATED CONSOLIDATED STATEMENT OF FINANCE COSTS**

Particulars	(₹ In Lakhs)					
	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Interest on Term Loans	4.01	6.58	0.02	0.38	0.82	0.77
Interest on Working Capital Facilities	2.76	2.42	0.88	5.31	2.40	2.95
Other Interest	7.28	6.30	5.06	0.49	1.93	0.05
Other Financial Charges	8.46	10.00	8.66	4.46	3.15	3.65
<b>Total</b>	<b>22.51</b>	<b>25.30</b>	<b>14.62</b>	<b>10.64</b>	<b>8.30</b>	<b>7.42</b>

**Notes:**

1. The figures disclosed above are based on the restated consolidated summary statement of profit & loss of the Company
2. The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-Z**  
**RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES**

Particulars	(₹ In Lakhs)					
	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Guarantees given by bank on behalf of the Company	9,922,500	10,285,631	6,963,131	740,000	-	-
<b>Total</b>	<b>9,922,500</b>	<b>10,285,631</b>	<b>6,963,131</b>	<b>740,000</b>	<b>-</b>	<b>-</b>

**Note:**

The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, consolidated cash flow statement, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II, III and IV

**ANNEXURE-AA**  
**RESTATED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTION**

(₹ In Lakhs)

**a) Names of the related parties with whom transactions were carried out during the years and description of relationship:**

1 Vikash Rajgarhia	-	Director (KMP)	Director (KMP)	Director (KMP)	Relative
2 Vivek Rajgarhia	-	of Director	Relative of Director	Relative of Director	Relative of Director
3 Vishal Rajgarhia	-	Entity significantly influenced by directors	Entity significantly influenced by directors	Associate	Entity
4 Pooja Rajgarhia	-	significantly influenced by directors	Associate		
5 Priti Rajgarhia	-	Subsidiary Firm			
6 Archana Rajgarhia	-				
7 Finecure Pharmaceuticals (Prop. Vikash Rajgarhia)	-				
8 Global Medisciences Ltd.	-				
9 Finebiotics Pharma Ltd.	-				
10. Finecure Medisciences (Previously known as Modern Door Devices)	-				

**1. Transactions with key management personnel**

(₹ In Lakhs)

Sr. No.	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
<b>A</b>	<b>Transaction During the Year</b>					
	<b>Directors' Remuneration</b>					
	Vivek Rajgarhia	11.32	12.22	10.76	9.38	9.29
	Vikash Rajgarhia	0.48	-	-	-	-
	Vishal Rajgarhia	0.48	-	-	-	-
	<b>Rent</b>					
	Vishal Rajgarhia	0.45	0.60	0.60	0.60	0.60
<b>B</b>	<b>Closing Balance Dr/(Cr)</b>					
	<b>For Directors' Remuneration, Rent Payable</b>					
	Vivek Rajgarhia	(1.09)	1.59	0.91	0.66	0.36
						(0.08)



**Finecure Pharmaceuticals Limited**

Sr. No.	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
	Vikash Rajgarhia	(0.48)	-	-	-	-
	Vishal Rajgarhia	(1.13)	(0.20)	-	-	-

**2. Transactions with Companies / Entities owned / significantly influenced by directors**
**(₹ In Lakhs)**

Sr. No	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹

**A Transaction During the Year**

<b>Purchases (Incl. Taxes)</b>						
Finecure Pharmaceuticals	-	-	-	-	-	64.07
Global Medisciences Ltd.	340.96	670.39	839.09	1,243.42	137.29	28.53
<b>Sales (Incl. Taxes)</b>						
Finecure Pharmaceuticals	-	-	-	-	-	-
Global Medisciences Ltd.	391.31	361.19	233.18	168.26	103.99	178.26
<b>Trademark Royalty</b>						
Finecure Pharmaceuticals (Prop. Vikash Rajgarhia)	-	9.00	9.00	9.00	9.00	9.00
<b>Rent Expenses</b>						
Global Medisciences Ltd.	1.26	1.68	1.68	1.68	1.68	1.68
<b>Turnover Incentive</b>						
Global Medisciences Ltd.	-	-	-	-	-	10.70

**B Closing Balance Dr/(Cr)**

<b>Trade Receivables</b>						
Global Medisciences Ltd.	-	-	-	44.54	71.04	85.39
<b>Trade Payables / Advances from Customers</b>						
Finecure Pharmaceuticals (Prop. Vikash Rajgarhia) (Trademark Royalty)	-	-	(6.08)	-	-	-
Global Medisciences Ltd.	(1.26)	-	(22.72)	(148.89)	-	-

**3. Transactions with Associate / Subsidiary Firm**
**(₹ In Lakhs)**

Sr. No	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹

**A Transaction During the Year**

<b>Investments Made / (Sold)</b>						
Finebiotics Pharma Ltd.	190.61	(25.00)	(45.00)	115.43	30.00	140.29
Modern Door Devises	300.90	-	196.33	-	-	-

**B Closing Balance Dr/(Cr)**
**For Investments Made**

Sr. No	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
	Finebiotics Pharma Ltd.	406.34	215.72	240.72	285.72	170.29
	Modern Door Devises	497.23	196.33	196.33	-	-

**ANNEXURE-AB**  
**RESTATED CONSOLIDATED CAPITALISATION STATEMENT**

(₹ In Lakhs)

Particulars	Pre-Offer	Post-Offer*
	As on 31 Dec., 2017	
Borrowings		
Short Term Borrowings	259.55	[•]
Long Term Borrowings	109.15	[•]
<b>Total Debt</b>	<b>368.69</b>	[•]
Shareholders' Fund (Equity)		[•]
Share Capital	1,270.87	[•]
Reserves & Surplus	4,934.40	[•]
Less: Miscellaneous Expenses not w/off	(11.04)	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>6,194.22</b>	[•]
Long Term Debt/Equity	<b>0.02</b>	[•]
Total Debt/Equity	<b>0.06</b>	[•]

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**Notes:**

1. The Company issued **1,14,37,785 Equity Shares** as fully paid up Bonus Shares in the ratio of **9:1** by capitalization of Reserves & Surplus and allotment done on **28th December, 2017**
2. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
3. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
4. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.17

**ANNEXURE-AC**  
**RESTATED CONSOLIDATED SUMMARY OF MANDATORY ACCOUNTING RATIOS**

(₹ In Lakhs unless otherwise stated)

Particulars	For the Year Ended					
	Nine Months Ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Face Value per equity Share (Amt. in ₹)	10	10	10	10	10	10
(i) Earnings/ (losses) Per Share (Amt. in ₹)						
- Basic and Diluted Earnings/ (losses) Per Share [a/b]	8.52	10.77	7.97	5.66	3.49	3.28
(ii) Return on Net Worth (in %) [a/d]	17.49%	26.63%	26.71%	25.45%	20.82%	24.49%
(iii) Net Assets Value per Share (in ₹)						
- Restated Net Assets Value per Share (Amt. in ₹) [d/c]	48.74	404.53	298.31	222.55	167.50	134.09
- Restated Net Assets Value per Share (Adjusted for Bonus Shares ) (Amt. in ₹ [d/c1])	48.74	40.45	29.83	22.26	16.75	13.41
(a) Net profit available for appropriation (as restated)	1,083.295	1,369.029	1,012.683	719.712	443.146	417.265
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
(c) No. of equity shares outstanding at the end of the year.	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
(d) Net Worth as at the end of the period/year (as restated)	6,194.219	5,141.088	3,791.179	2,828.350	2,128.712	1,704.151

(Refer Note 6 for details of bonus issue)

**Notes:**

- The above ratios are calculated as under:
- Basic and Diluted Earning per Share = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$
- Return on Net Worth(%) = 
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$
- Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;
- Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
- The figures disclosed above are based on the restated consolidated financial information of the Company.
- Basic and Diluted EPS for the period ended 31st December, 2017 are not annualized.
- Bonus issue in the ratio of 9:1 by capitalization of Reserves & Surplus and allotment done on 28th December, 2017

**ANNEXURE-AD**  
**RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER**

(₹ In Lakhs)

Particulars	For the Year Ended					
	Nine Months Ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Tax Computation as per normal tax provisions</b>						
<b>Restated Profit before tax</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
MAT rate including surcharge	21.34%	21.34%	20.39%	20.01%	20.01%	20.01%
Normal Tax rate including surcharge for Regular Income	34.61%	34.61%	33.06%	32.45%	32.45%	32.45%
Normal Tax rate including surcharge for Short Term Capital Gain	17.30%	17.30%	16.53%	16.22%	16.22%	16.22%
<b>Normal Tax on above</b>	<b>517.17</b>	<b>614.72</b>	<b>468.77</b>	<b>297.82</b>	<b>181.23</b>	<b>170.09</b>
<b>Adjustments:</b>						
<b>Add : Disallowables / Exempt Incomes</b>						
Interest on Income Tax	7.24	6.18	4.98	0.49	1.93	-
Interest on TDS / DDT	0.04	0.05	0.07	-	-	0.05
Interest on EPF	-	0.07	-	-	-	-
Depreciation as per Companies Act	92.64	111.46	101.09	54.79	88.73	84.65
Club Fees	0.03	0.04	0.06	-	-	-
Provision for Gratuity	2.00	7.54	4.37	4.25	3.03	7.69
Interest on Professional Tax & Service Tax / GST	0.01	0.01	0.00	0.00	0.00	-
Loss on Sale of Shares	-	4.07	-	-	0.25	-
CSR Expenditure	4.04	28.44	28.87	1.30	-	-
Late Payment of PF	-	-	-	-	-	-
Donation debited in books of accounts	4.41	33.52	26.53	0.21	1.06	0.73
ROC Fees for increase in authorized share capita	18.11	-	-	-	-	-
Short Term Gain / (Loss) on sale of Investments (as per IT)	0.00	0.28	1.17	3.16	0.46	1.21
<b>Less : Allowables</b>						
Depreciation as per Income Tax Act	(110.66)	(154.87)	(151.90)	(111.38)	(97.32)	(92.24)
Dividend Income (Exempt)	(0.04)	(0.11)	(0.25)	(0.07)	(0.15)	(0.20)
Donation allowable as per Income Tax Act	(2.36)	(16.53)	(13.27)	(0.11)	(0.53)	(0.13)
Profit on Sale of Shares	(0.00)	-	(1.67)	(1.87)	-	(0.31)
Other Adjustments						
Deduction u/s. 80IC	-	(543.31)	(424.06)	(259.88)	(154.71)	(152.79)
Deduction u/s. JJAA	-	(1.85)	-	-	-	-
<b>Total Adjustments</b>	<b>15.45</b>	<b>(525.01)</b>	<b>(423.99)</b>	<b>(309.12)</b>	<b>(157.25)</b>	<b>(151.33)</b>

Particulars	For the Year Ended					
	Nine Months Ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Tax expense/(saving) thereon	5.35	(181.74)	(140.38)	(100.80)	(51.09)	(49.30)
<b>Tax Payable as per Normal Provisions (A)</b>	<b>522.51</b>	<b>432.98</b>	<b>328.39</b>	<b>197.01</b>	<b>130.14</b>	<b>120.79</b>
<b>Tax Computation as per MAT provisions</b>						
<b>Restated Book Profit before tax</b>	<b>1,494.35</b>	<b>1,776.25</b>	<b>1,417.81</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
MAT Tax on Above	318.92	379.08	289.07	183.65	111.76	104.89
<b>Add :</b>						
Interest on TDS / DDT	0.04	0.05	0.07	-	-	0.05
<b>Total Adjustments</b>	<b>0.04</b>	<b>0.05</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>0.05</b>
Tax expense/(saving) thereon	0.01	0.01	0.02	-	-	0.01
<b>Tax Payable as per MAT Provisions (B)</b>	<b>318.93</b>	<b>379.09</b>	<b>289.09</b>	<b>183.65</b>	<b>111.76</b>	<b>104.90</b>
<b>Gross Tax Payable (w.e.i. higher)</b>	<b>522.51</b>	<b>432.98</b>	<b>328.39</b>	<b>197.01</b>	<b>130.14</b>	<b>120.79</b>



**ANNEXURE-AE**  
**RESTATED CONSOLIDATED STATEMENT OF DIVIDEND DECLARED**

(Amt. In ₹)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Class of Shares</b>						
Equity Share of ₹ 10 each	10	10	10	10	10	10
<b>Rate of Dividend (%)</b>						
Interim Dividend	12.50%	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	12.50%	12.50%	12.50%	12.50%	10%

**INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS OF  
"FINECURE PHARMACEUTICALS LTD."**

(As required by Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**FINECURE PHARMACEUTICALS LTD.**  
612 to 615 Anand Mangal Complex III  
Nr. Parimal Garden,  
Rajnagar Club Lane, Ellisbridge  
Ahmedabad, Gujarat, India, 380 006.

Dear Sirs,

**Report on Restated Standalone Financial Statements**

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Standalone Financial Statements of **FINECURE PHARMACEUTICALS LTD.** (hereinafter referred as "the Company") as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014, and 31<sup>st</sup> March, 2013 and the related Restated Standalone Statement of Profit & Loss for the nine months period ended 31<sup>st</sup> December, 2017 and for each of the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 and Restated Standalone Statement of Cash Flow for the nine months period ended 31<sup>st</sup> December, 2017 and for each of the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 (collectively "Restated Standalone Summary Statements" or "Restated Standalone Financial Statements"). These Restated Standalone Summary Statements have been prepared by the company and approved by the Board of Directors of the Company in connection with Initial Public Offering (IPO) of Equity Shares on SME Emerge Platform of National Stock Exchange of India Limited ("NSE")
2. These Restated Standalone Summary Statements have been prepared in accordance with the requirements of:
  - i) Section 26 of Companies Act, 2013 (hereinafter referred to as the "Act") read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and related amendments / clarifications made thereto from time to time;
  - iii) The terms of reference to our engagements with the Company, requesting us to examine the standalone financial statements referred to above and proposed to be included in the Draft offer Document / offer Document of the Company in connection with its proposed initial public offer of equity shares on Emerge Platform of National Stock Exchange of India Limited ("NSE") ("IPO" or "SME IPO") and
  - iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') ("Guidance Note")
3. The Restated Standalone Summary Statements of the Company have been extracted by the Management from the Audited Standalone Financial Statements of the Company for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 which have been approved by the Board of Directors.
4. Audit of the Standalone Financial statements for the period ended 31<sup>st</sup> December, 2017 and for the years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 has been conducted by Company's Statutory Auditors, M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W).

Further, Standalone Financial Statements for the period ended 31<sup>st</sup> December, 2017 and year ended 31<sup>st</sup> March, 2017 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 which were audited by the Statutory Auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W) is based on the audited standalone financial statements of the Company and whose Auditor's Reports have been relied upon by us for the said periods.

5. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Standalone Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the 'ICAI') and the terms of our engagement agreed with you, we report that:
  - (i) The "Restated Standalone Statement of Assets and Liabilities" as set out in **Annexure I** to this report, of the Company as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Assets & Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (ii) The "Restated Standalone Statement of Profit & Loss" as set out in **Annexure II** to this report, of the Company for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Profit & Loss, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
  - (iii) The "Restated Standalone Statement of Cash Flow" as set out in **Annexure III** to this report, of the Company for the period ended 31<sup>st</sup> December, 2017, and for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013 are prepared by the Company and approved by the Board of Directors. These Standalone Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual standalone financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.
6. Based on the above and according to information and explanations given to us, and also as per the reliance placed on the reports submitted by the statutory auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W) for the respective periods / years, we are of the opinion that the Restated Standalone Financial Statements have been made after incorporating:
  - a) Adjustments if any, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods.
  - b) Adjustments for prior period and other material amounts, if any in the respective financial years to which they relate and there are not qualifications which require adjustments.
  - c) There are no exceptional and extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
  - d) These Profits / (Losses) have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with Significant Accounting Policies and Notes to the Restated Standalone Summary Statements as set out in **Annexure IV** to this Report.

## Finecure Pharmaceuticals Limited

7. We have examined the following regrouped/ rearranged standalone financial information relating to the Company, proposed to be included in the Draft offer Document / offer Document (“Offer Document”), as approved by the Board of Directors of the Company and attached to this report for the period ended 31<sup>st</sup> December, 2017 and for the financial years ended on 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013.
- (i) Restated Standalone Statement of Share Capital enclosed as **Annexure A**
  - (ii) Restated Standalone Statement of Reserves & Surplus enclosed as **Annexure B**
  - (iii) Restated Standalone Statement of Long Term Borrowings enclosed as **Annexure C**
  - (iv) Restated Standalone Statement of Principal Terms of Secured Loans And Assets Charged As Security (**Annexure C1**)
  - (v) Restated Standalone Statement of Deferred Tax Liabilities enclosed as **Annexure D**
  - (vi) Restated Standalone Statement of Long Term Provisions enclosed as **Annexure E**
  - (vii) Restated Standalone Statement of Short Term Borrowings enclosed as **Annexure F**
  - (viii) Restated Standalone Statement of Trade Payables enclosed as **Annexure G**
  - (ix) Restated Standalone Statement of Other Current Liabilities enclosed as **Annexure H**
  - (x) Restated Standalone Statement of Short Term Provisions enclosed as **Annexure I**
  - (xi) Restated Standalone Statement of Fixed Assets enclosed as **Annexure J**
  - (xii) Restated Standalone Statement of Non-Current Investments enclosed as **Annexure K**
  - (xiii) Restated Standalone Statement of Long Term Loans & Advances enclosed as **Annexure L**
  - (xiv) Restated Standalone Statement of Other Non-Current Assets enclosed as **Annexure M**
  - (xv) Restated Standalone Statement of Current Investments enclosed as **Annexure N**
  - (xvi) Restated Standalone Statement of Inventories enclosed as **Annexure O**
  - (xvii) Restated Standalone Statement of Trade Receivables enclosed as **Annexure P**
  - (xviii) Restated Standalone Statement of Cash & Cash Equivalents enclosed as **Annexure Q**
  - (xix) Restated Standalone Statement of Short Term Loans & Advances enclosed as **Annexure R**
  - (xx) Restated Standalone Statement of Other Current Assets enclosed as **Annexure S**
  - (xxi) Restated Standalone Statement of Revenue from Operations and Other Income enclosed as **Annexure T**
  - (xxii) Restated Standalone Statement of Cost of Materials & Stores Consumed enclosed as **Annexure U**
  - (xxiii) Restated Standalone Statement of Changes in Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade enclosed as **Annexure V**
  - (xxiv) Restated Standalone Statement of Employee Benefit Expenses enclosed as **Annexure W**
  - (xxv) Restated Standalone Statement of Other Expenses enclosed as **Annexure X**
  - (xxvi) Restated Standalone Statement of Finance Costs enclosed as **Annexure Y**
  - (xxvii) Restated Standalone Statement of Contingent Liabilities as **Annexure Z**
  - (xxviii) Restated Standalone Statement of Related Party Transactions enclosed as **Annexure AA**
  - (xxix) Restated Standalone Statement of Capitalization as at 31<sup>st</sup> December, 2017 (pre-offer) and as adjusted for this offer (post offer) subject to reliance being placed on management representation in respect of post offer figures contained in the Statement of Capitalization enclosed as **Annexure AB**
  - (xxx) Restated Standalone Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth enclosed as **Annexure AC**
  - (xxxi) Restated Standalone Statement of Tax Shelter enclosed as **Annexure AD**
  - (xxxii) Restated Standalone Statement of Dividend Declared enclosed as **Annexure AE**

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the statutory auditors M/s Shah & Iyer, Chartered Accountants (F. R. No. 124443W), in our opinion, the Restated Standalone Financial Statements for the period ended 31<sup>st</sup> December, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 read with Restated Standalone Significant Accounting Policies disclosed in Annexure IV are prepared after making adjustments and regroupings / reclassification as considered appropriate (Refer Annexure IV) and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8. We, M/s. SVK & ASSOCIATES, Chartered Accountants, (F. R. No. 118564W) have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 009326 dated September 16, 2016 issued by the “Peer Review Board” of the ICAI.

## Finecure Pharmaceuticals Limited

9. The preparation and presentation of the standalone financial statements referred to above are based on the Audited standalone financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Standalone Financial Statements and information referred to above is the responsibility of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor this report be construed as a new opinion on any of the standalone financial statements referred to therein.
11. We have no responsibility to update our report for the events and circumstances occurring after the date of our report.
12. In our opinion, the above standalone financial information contained in **Annexure I** to **Annexure AE** read with respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Standalone Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
13. Consequently the standalone financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the standalone financial information may not necessarily be same as those appearing in the respective audited standalone financial statements for the relevant years.
14. This report is intended solely for the use of Management and for the inclusion in the offer Document in connection with the proposed Initial Public Offer – SME IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.
15. **Auditors’ Responsibility**

Our responsibility is to express an opinion on these restated standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

**16. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated standalone financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a) In the case of Restated Standalone Statement of Assets and Liabilities of the Company, of the state of affairs of the Company as at 31<sup>st</sup> December, 2017, 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2015, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2013;
- b) In the case of the Restated Standalone Statement of Profit and Loss, of the profit / (loss) of the Company for the Period / Years ended on that date; and
- c) In the case of the Restated Standalone Cash Flow Statement, of the cash flows of the Company for the Period / Years ended on that date.

**For, SVK & ASSOCIATES**

**Chartered Accountants**

Firm No. – 118564W

**Shilpang V. Karia Partner**

M. No.: 102114

Place: Ahmedabad

Date: 7<sup>th</sup> February, 2018

**Annexure I: Restated Standalone Statement of Assets and Liabilities:**
**(₹ In Lakhs)**

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Equity &amp; Liabilities</b>						
Shareholders' Funds						
(a) Share Capital	1,270.87	127.09	127.09	127.09	127.09	127.09
(b) Reserves & Surplus	5,049.73	5,130.89	3,773.90	2,701.26	2,001.63	1,577.06
	<b>6,320.60</b>	<b>5,257.98</b>	<b>3,900.98</b>	<b>2,828.35</b>	<b>2,128.71</b>	<b>1,704.15</b>
<b>Non Current Liabilities</b>						
(a) Long-term borrowings	41.85	93.29	28.71	25.17	1.22	5.82
(b) Deferred tax liabilities (net)	66.44	59.87	43.65	26.35	9.37	7.56
(c) Long-term provisions	26.95	25.96	18.60	14.30	10.06	7.48
	<b>135.25</b>	<b>179.11</b>	<b>90.96</b>	<b>65.82</b>	<b>20.65</b>	<b>20.87</b>
<b>Current liabilities</b>						
(a) Short-term borrowings	259.55	-	-	-	61.31	133.76
(b) Trade payables						
- Dues to Micro & Small Enterprises	2.63	2.56	2.40	2.82	0.80	-
- Dues to Other Than Micro & Small Enterprises	1,467.75	956.26	1,278.70	870.10	741.69	513.16
(c) Other current liabilities	406.19	472.75	412.93	340.36	216.48	147.82
(d) Short-term provisions	213.08	105.08	106.85	75.65	26.07	41.33
	<b>2,349.20</b>	<b>1,536.65</b>	<b>1,800.88</b>	<b>1,288.93</b>	<b>1,046.33</b>	<b>836.06</b>
<b>Total</b>	<b>8,805.04</b>	<b>6,973.74</b>	<b>5,792.83</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>
<b>Assets</b>						
<b>Non-current assets</b>						
(a) Fixed Assets						
- Property, Plant & Equipment	1,654.81	1,645.66	1,075.92	969.75	873.43	810.20
- Intangible Assets	-	-	-	-	-	-
- Capital Work-In-Progress	1,863.07	1,564.57	921.50	673.10	40.61	-
(b) Non-current investments	903.57	412.05	437.05	285.72	170.29	140.29
(c) Long-term loans and advances	36.51	34.43	22.33	20.39	15.08	15.11
(d) Other non-current assets	10.00	-	-	-	-	-
	<b>4,467.95</b>	<b>3,656.70</b>	<b>2,456.81</b>	<b>1,948.97</b>	<b>1,099.42</b>	<b>965.60</b>
<b>Current Assets</b>						
(a) Current Investments	24.59	-	19.28	15.73	12.41	14.44
(b) Inventories	1,475.96	1,214.09	1,146.20	1,023.23	911.80	628.85
(c) Trade Receivables	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83
(d) Cash & Bank Balances	463.45	651.45	795.83	210.41	409.33	409.51
(e) Short Term Loans & Advances	621.62	180.74	72.35	139.68	76.70	49.35
(f) Other Current Assets	-	-	-	-	6.82	7.50
	<b>4,337.09</b>	<b>3,317.04</b>	<b>3,336.02</b>	<b>2,234.12</b>	<b>2,096.28</b>	<b>1,595.47</b>
<b>Total</b>	<b>8,805.04</b>	<b>6,973.74</b>	<b>5,792.83</b>	<b>4,183.10</b>	<b>3,195.70</b>	<b>2,561.08</b>

Note: The above standalone statement should be read with the restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures II, III and IV respectively

**Annexure II: Restated Standalone Statement of Profit and Loss:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended 31/12/17	For the Year ended				
		31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>Continuing Operations</b>						
<b>Revenue from operations:</b>						
- Revenue From Sale of Products	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
- Revenue From Sale of Services	-	-	-	-	-	-
- Other Operating Income	138.39	47.31	56.83	37.52	50.71	46.72
<b>Net Revenue from operations</b>	<b>8,388.97</b>	<b>9,788.28</b>	<b>8,780.59</b>	<b>6,550.86</b>	<b>4,534.89</b>	<b>3,164.38</b>
Other income	88.74	52.59	47.76	22.37	49.01	26.04
<b>Total Revenue (A)</b>	<b>8,477.71</b>	<b>9,840.87</b>	<b>8,828.35</b>	<b>6,573.23</b>	<b>4,583.90</b>	<b>3,190.42</b>
<b>Expenses:</b>						
Cost of Materials & Stores Consumed	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35
Purchase of Stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade	(2.14)	(190.93)	(46.34)	(59.92)	(40.73)	(56.19)
Employee benefits expense	723.00	753.40	602.21	474.91	343.42	266.56
Other expenses	893.22	1,074.92	957.32	835.98	560.94	495.39
<b>Total Expenses (B)</b>	<b>6,868.21</b>	<b>7,927.86</b>	<b>7,294.25</b>	<b>5,589.90</b>	<b>3,928.30</b>	<b>2,574.11</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1,609.50</b>	<b>1,913.01</b>	<b>1,534.10</b>	<b>983.34</b>	<b>655.60</b>	<b>616.31</b>
Finance costs	22.51	25.30	14.62	10.64	8.30	7.42
Depreciation and amortization expenses	92.64	106.36	95.34	54.79	88.73	84.65
<b>Net Profit before exceptional items, extraordinary items and tax (C=A-B)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Exceptional items (D)	-	-	-	-	-	-
<b>Net Profit before extraordinary items and tax (E=C-D)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
Extraordinary items (F)	-	-	-	-	-	-
<b>Net Profit before tax (G=E-F)</b>	<b>1,494.35</b>	<b>1,781.35</b>	<b>1,424.14</b>	<b>917.91</b>	<b>558.57</b>	<b>524.23</b>
<b>Provision for Tax</b>						
- Current Tax	522.51	432.98	328.58	197.01	130.14	120.79
- Tax adjustment of prior years	(0.05)	(0.17)	2.89	(2.54)	(0.10)	0.57
- Deferred Tax Liability / (Asset)	6.57	16.22	17.30	16.98	1.80	(0.03)
- MAT Credit Entitlement	(116.42)	(43.79)	(16.38)	(13.26)	(16.41)	(14.36)
<b>Tax Expense For The Year (H)</b>	<b>412.62</b>	<b>405.23</b>	<b>332.39</b>	<b>198.20</b>	<b>115.43</b>	<b>106.97</b>

Particulars	Nine Months Ended	For the Year ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
Restated Net Profit after tax from Continuing Operations (I=G-H)	1,081.74	1,376.12	1,091.75	719.71	443.15	417.26
Net Profit from Discontinuing Operations (J)	-	-	-	-	-	-
Restated Net Profit for the year from total operations (K=I+J)	1,081.74	1,376.12	1,091.75	719.71	443.15	417.26

Note: The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, III and IV respectively

**Annexure III: Restated Standalone Statement of Cash flows:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended 31/12/17	For the Year ended				
		31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>1. Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	1,494.35	1,781.35	1,424.14	917.91	558.57	524.23
<i>Adjustments for:</i>						
Depreciation and amortization expense	92.64	106.36	95.34	54.79	88.73	84.65
Finance Cost	22.51	25.30	14.62	10.64	8.30	7.42
Interest Received / Other Non Operative Receipts	(22.87)	(29.65)	(18.01)	(10.19)	(32.75)	(15.81)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>1,586.63</b>	<b>1,883.36</b>	<b>1,516.10</b>	<b>973.15</b>	<b>622.85</b>	<b>600.50</b>
<i>Adjustments for:</i>						
Inventories	(261.87)	(67.88)	(122.97)	(111.43)	(282.96)	(142.89)
Trade Receivables	(480.70)	31.58	(457.28)	(165.86)	(193.39)	(120.32)
Short Term & Long Term Loans & Advances	(370.34)	(104.71)	68.51	(59.82)	(31.23)	13.24
Other Current Assets	-	-	-	6.82	0.68	(1.42)
Trade Payables	511.56	(322.28)	408.17	130.44	229.32	124.00
Other Current Liabilities	(66.56)	59.82	72.58	123.88	68.66	20.62
Short Term & Long Term Provisions	(17.12)	7.54	4.90	17.51	6.75	22.56
Other Non Current Assets	(10.00)	-	-	-	-	-
<b>Changes in Operating Assets &amp; Liabilities</b>	<b>(695.03)</b>	<b>(395.93)</b>	<b>(26.08)</b>	<b>(58.45)</b>	<b>(202.17)</b>	<b>(84.22)</b>
Cash Flow from Extra-Ordinary Items	-	-	-	-	-	-
<b>Cash Generated from Operations</b>	<b>891.61</b>	<b>1,487.44</b>	<b>1,490.01</b>	<b>914.69</b>	<b>420.68</b>	<b>516.28</b>
Taxes Paid	352.56	406.74	287.62	153.37	129.14	94.54
<b>Net Cash from Operating Activities</b>	<b>539.05</b>	<b>1,080.69</b>	<b>1,202.40</b>	<b>761.32</b>	<b>291.54</b>	<b>421.74</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased (Net)	(400.29)	(1,319.16)	(449.91)	(784.98)	(192.57)	(232.45)
Interest Received/ Other Non Operative Receipts	22.87	29.65	18.01	10.19	32.75	15.81
<i>Adjustments for:</i>						
Current & Non Current Investments	(516.10)	44.28	(154.89)	(118.75)	(27.97)	(138.55)
<b>Net Cash from Investing Activities</b>	<b>(893.52)</b>	<b>(1,245.23)</b>	<b>(586.79)</b>	<b>(893.54)</b>	<b>(187.79)</b>	<b>(355.19)</b>
<b>3. Cash Flow From Financing Activities:</b>						
Proceeds from Short term borrowings	259.55	-	-	(61.31)	(72.45)	23.47
Proceeds from Long term borrowings	(51.43)	64.58	3.55	23.94	(4.60)	5.82
Dividend & DDT Paid	(19.12)	(19.12)	(19.12)	(18.70)	(18.59)	(14.87)

Particulars	Nine Months Ended	For the Year ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
Finance Cost	(22.51)	(25.30)	(14.62)	(10.64)	(8.30)	(7.42)
Net Cash from Financing Activities	166.48	20.16	(30.19)	(66.70)	(103.93)	7.00
Net Increase/ (Decrease) in Cash & Cash Equivalents	(188.00)	(144.38)	585.42	(198.91)	(0.18)	73.55
Cash & Cash Equivalents at the beginning of the year	651.45	795.83	210.41	409.33	409.51	335.96
Cash & Cash Equivalents at the end of the year	463.45	651.45	795.83	210.41	409.33	409.51

**Notes:**
**1. Components of Cash & Cash Equivalents:**
**(₹ In Lakhs)**

Particulars	Nine Months Ended	(₹ in Lakhs)				
		For the Year ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
Cash on Hand	0.50	0.34	7.38	14.71	13.76	11.11
DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
Balances with Scheduled Banks						
In Current Accounts	83.01	187.31	167.29	137.16	10.35	97.73
In Earmarked / Deposit Accounts	379.95	463.74	610.12	45.69	379.65	289.70
<b>Total Cash &amp; Cash Equivalents</b>	<b>463.45</b>	<b>651.45</b>	<b>795.83</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

2. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements specified under the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

3. Figures in Brackets represents outflow.

The above consolidated statement should be read with the restated consolidated statement of assets and liabilities, consolidated statement of profit & loss, significant accounting policies and notes to restated consolidated summary statements as appearing in Annexures I, II and IV respectively

**ANNEXURE-IV**
**FINECURE PHARMACEUTICALS LTD.**
**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**
**Accompanying Standalone Financial Statements (As Restated)**
**The Company**

FINECURE PHARMACEUTICALS LTD. (the Company) incorporated under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of Company is U24230GJ2005PLC045724

**Nature of Operations**

The Company is having its manufacturing facilities at Village Shimla Pistaur, Kichha, Rudrapur, Udham Singh Nagar, Uttarakhand and is presently engaged in Manufacturing, Trading & Marketing of Drugs & Pharmaceuticals Items

**I. SIGNIFICANT ACCOUNTING POLICIES:**
**Basis of preparation of Standalone Financial Statements**

These Standalone financial statements as restated are prepared under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act, 1956 (upto 31st March, 2014) and Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The Standalone Financial Statements for the period ended 31st December, 2017 and for the year ended 31st March, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013. Standalone Financial Statements for the year ended on 31 March 2014 and 31 March 2013 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited standalone financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements. However, adoption of Schedule III of the Companies Act, 2013 has significant impact on presentation and disclosures made in the financial statements for these years.

The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP'). The accounting policies adopted in the preparation of standalone financial statements are consistent with those of previous year.

**Use of estimates**

The preparation of standalone financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the standalone financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

### Change in accounting estimate

Pursuant to Companies Act, 2013 being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

The following significant accounting policies are adopted in the preparation and presentation of these standalone financial statements:

#### 1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

##### Sales of Goods :

Sales are recognized when significant risks and rewards of ownership of goods have been passed to the buyer. Purchases & Sales are recorded net of duties & taxes.

##### Other Operating Revenue / Other Income:

Other Operating Incomes & Other Income are recognized on accrual basis in the year in which right to receive the same is established.

##### Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### 2. Tangible Fixed assets

Gross fixed assets are stated at cost of acquisition including incidental expenses relating to acquisition and installation. Fixed Assets are stated at cost net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalized. Long-term leasehold assets are capitalized under fixed assets

#### 3. Depreciation

Depreciation on fixed assets is provided on Written Down Value Method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 up to the years ended on 31/03/2014. For the period after 01/04/2014, the depreciation on fixed assets is on Straight Line Method (SLM) at the rates arrived at on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. In respect of assets whose useful life is already exhausted as on 1st April, 2014, the carrying amount as on 1st April, 2014 after retaining the Scrap Value, has been adjusted through retained earnings in FY 14-15.

The details of useful life of an asset and its residual value estimated by the management are as follows:-

Type of Asset	Useful Life as per Schedule II from April 1, Rates Applied FY 12-13 & 13-14	
	2014	14
Factory Building	30 Years	10.00%
Office Building	60 Years	5.00%
Residential Building	60 Years	NA
Leasehold Land	99 Years	NA
Plant & Machineries	15 Years	13.91%
Vehicles (Motor Cars)	8 Years	25.89%
Vehicles (Two Wheelers)	10 Years	25.89%
Office Equipment	5 Years	13.91%
Furniture & Fixtures	10 Years	18.10%
Computers & Softwares	3 Years	40.00%

Type of Asset	Useful Life as per Schedule II from April 1, Rates Applied FY 12-13 & 13-14
Servers & Networks	6 Years 40.00%

In none of the case the residual value of an asset is more than five per cent of the original cost of the asset

#### **4. Investments**

Investments are classified Current Investments and Non-Current Investments. Current Investments comprises of Equity Shares of Listed Entities being traded on recognized stock exchange and are valued at cost. Non-Current Investments comprises of Investment in Associate Company, Investment in Partnership Firm and Investments in Quoted Equity Shares. Non-Current Investments are stated at cost. A provision for diminution in the value of Investments is made for each investment individually if such decline is other than temporary.

#### **5. Inventories**

Inventories of Raw Materials, Semi-Finished Goods and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs which are being incurred in bringing the inventories to their present location and condition. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

#### **6. Retirement Benefits & Other Employee benefits**

##### **Defined-contribution plans:**

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

##### **Defined-benefit plans:**

Provision for gratuity liability is provided based on actuarial valuation made covering all the period.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

#### **7. Foreign exchange transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

#### **8. Lease accounting**

Operating Leases: Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss. Initial direct costs in respect of the lease acquired are expensed out in the year in which such costs are incurred.

#### **9. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

**10. Taxes on income**

Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

**Current tax** -Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

**Deferred tax** -Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

**11. Earnings per share:**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the standalone financial statements are approved by the board of directors, if any.

**12. Proposed Dividend**

Dividend recommended by the Board of Directors is provided for in the books of accounts of respective financial years.

**13. Provisions and contingent liabilities**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent liabilities are disclosed by way of notes to the accounts. Contingent assets are not recognized.

**14. Cash & Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank & on hand and Cheques / Demand Draft on hand.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

**15. Segment Reporting**

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "Manufacturing, Trading & Marketing of Drugs & Pharmaceuticals Items". There are no other primary reportable segments. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

**16. Corporate Social Responsibility (CSR) Expenditure**
**(Amt. ₹ in Lakhs)**

Particulars	For the Period Ended		For the year			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Gross amount required to be spent by the company during the year	27.94	19.67	13.47	8.26	-	-
Gross amount spent by the company during the year	4.04	28.44	28.87	1.30	-	-

**II. NOTES TO RESTATED SUMMARY STATEMENT:**

The standalone financial statements for the year ended March 31, 2013 and year ended March 31, 2014 are prepared as per the revised schedule VI and financial statements for the year ended March 31, 2015, year ended March 31, 2016, year ended March 31, 2017 and period ended December 31, 2017 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the figures of the previous years have also been re-classified to confirm to classification as per the Schedule III. The adoption of revised schedule VI and Schedule III for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these standalone financial statements.

- Contingent liabilities and commitments (to the extent not provided for) A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
- Disclosure as required u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006

**(Amt. ₹ in Lakhs)**

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(a) Principal amount remaining unpaid to any supplier at the end of the year. (Restated)	2.63	2.56	2.40	2.82	0.80	-
(b) Interest due on above	-	-	-	-	-	-
(c) Amount of interest paid by the company to the suppliers	-	-	-	-	-	-
(d) Amount paid to the suppliers beyond respective due dates	-	-	-	-	-	-
(e) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act.	-	-	-	-	-	-
(f) Amount of interest accrued and remaining unpaid at the end of the year.	-	-	-	-	-	-
(g) Amount of further interest remaining due and payable even in the succeeding years, until such date when the	-	-	-	-	-	-

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13

interest dues as above are actually paid to the small enterprise.

4. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-AA of the enclosed standalone financial statements.
5. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

(Amt. ₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	76.44	69.17	50.04	31.21	12.85	10.06
(DTA) on account of gratuity provision	(10.00)	(9.31)	(6.40)	(4.86)	(3.48)	(2.49)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>66.44</b>	<b>59.87</b>	<b>43.65</b>	<b>26.35</b>	<b>9.37</b>	<b>7.56</b>

#### 6. Directors' Remuneration:

(Amt. ₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Directors' Salary	11.32	12.22	10.76	9.38	9.29	7.66
<b>Total</b>	<b>11.32</b>	<b>12.22</b>	<b>10.76</b>	<b>9.38</b>	<b>9.29</b>	<b>7.66</b>

#### 7. Auditors' Remuneration:

(Amt. ₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
a. As Auditors						
Statutory Audit Fees *	0.35	0.50	0.25	0.15	0.15	0.15
Tax Audit Fees *	-	0.30	0.15	0.10	0.10	0.09
Certification Fees *	0.15	0.20	0.10	0.05	0.05	0.04
<b>Total</b>	<b>0.50</b>	<b>1.00</b>	<b>0.50</b>	<b>0.30</b>	<b>0.30</b>	<b>0.28</b>

\* Excluding Service Tax / GST

#### 8. Earnings Per Share :

Earnings per Share have been calculated as under:

(₹ in Lakhs, except EPS)

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
A. Number of Shares at the beginning of the year	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Shares issued during the year	-	-	-	-	-	-
- Allotment (Bonus Issue) (8th December, 2017)	11,437,785	-	-	-	-	-
B. Total Number of equity shares outstanding at the end of	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865

the year

C. Weighted average number of equity shares outstanding during the year (Considering Bonus Issue)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
D. Net profit after tax available for equity shareholders (as restated)	1,081.74	1,376.12	1,091.75	719.71	443.15	417.26
E. Basic and Diluted earnings per share (₹) (D/C)	8.51	10.83	8.59	5.66	3.49	3.28

9. Figures have been rearranged and regrouped wherever practicable and considered necessary.

10. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

11. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

## 12. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

a. Defined Benefit Plan (Gratuity)

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
	₹	₹	₹	₹	₹	₹
1. The amounts recognized in the Balance Sheet are as follows:						
Present value of unfunded obligations recognized	28.89	26.89	19.34	14.98	10.72	7.69
Net Liability	28.89	26.89	19.34	14.98	10.72	7.69
2. The amounts recognized in the Profit & Loss A/c are as follows:						
Current Service Cost	5.23	6.61	5.19	4.11	3.40	7.69
Interest on Defined Benefit Obligation	1.56	1.45	1.12	0.80	0.58	-
Net Actuarial Losses / (Gains) Recognized in Year	(4.79)	(0.51)	(1.95)	(0.65)	(0.94)	-
Past Service Cost	-	-	-	-	-	-
Total, Included in "Salaries, allowances & welfare"	-	-	-	-	-	-
	2.00	7.54	4.37	4.25	3.03	7.69
3. Changes in the present value of defined benefit obligation:						
Defined benefit obligation as at the beginning of the year/period	26.89	19.34	14.98	10.72	7.69	-
Service cost	5.23	6.61	5.19	4.11	3.40	7.69
Interest cost	1.56	1.45	1.12	0.80	0.58	-
Actuarial Losses/(Gains)	(4.79)	(0.51)	(1.95)	(0.65)	(0.94)	-
Past Service Cost	-	-	-	-	-	-

Particulars	For the Year Ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
	₹	₹	₹	₹	₹	₹
Defined benefit obligation as at the end of the year/period	28.89	26.89	19.34	14.98	10.72	7.69
Current / Non-Current Liability						
Current Liability (classified as Short Term Provision)	1.93	0.93	0.74	0.67	0.66	0.21
Non-Current Liability (classified as Long Term Provision)	26.95	25.96	18.60	14.30	10.06	7.48
	28.89	26.89	19.34	14.98	10.72	7.69
Benefit Description						
Benefit Type	Benefit of Gratuity Valuation as per Act					
Retirement Age:	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Vesting Period:	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
The principal actuarial assumptions for the above are:						
Future Salary Rise:	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Discount rate per annum:	7.75% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.
Withdrawal Rate: (Per Annum)	5.00% p.a.					
Mortality Rate:	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	IALM 06-08 Ultimate	LIC 94-96 Ultimate

#### b. Defined Contribution Plans

The Company is registered with the Regional Provident Fund Commissioner for the Employees' Provident Fund Scheme and Employees' State Insurance Scheme. Contributions to Provident Fund & Employees State Insurance are included under head Employee Benefit Expenses in the Statement of profit and loss.

(₹ In Lakhs)

Particulars	For the Year Ended					
	Nine Months Ended					
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Employees Provident Fund (EPF)	15.44	17.21	12.80	10.18	6.96	5.24
Employees State Insurance (ESI)	5.84	4.31	3.34	3.67	3.37	3.44

#### 13. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

#### 14. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 15. Amounts in the Standalone Financial Statements

Amounts in the standalone financial statements are rounded off to nearest Lakhs rupees. Figures in brackets indicate negative values

## 16. Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 and Schedule III has become effective from 1st April, 2014 for the preparation of standalone financial statements. This has significantly impacted the disclosure and presentation made in the standalone financial statements. Figures for the year ended March 31, 2011 wherever dealt in this statement have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure to the extent possible.

## 17. Leases

### Operating Lease

Operating leases are mainly in the nature of office rent and godown rent with no restrictions and are renewable by mutual consent. Lease rental payments made by the Company are recognized in the statement of profit and loss.

Lease payments recognized in statement of profit & loss

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Lease Rentals Paid / Provided for	4.11	4.98	4.98	4.98	4.98	3.43

## 18. Material Adjustments

Appropriate adjustments have been made in the restated standalone financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

**Statement of Adjustments in the Standalone Financial Statements:**

(₹ In Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	1,101.16	1,393.29	1,125.89	723.74	441.36	420.53
Adjustment on Account of :						
1. Add / (Less) : Adjustment of Gratuity Provision	-	19.34	(4.37)	(4.25)	(3.03)	(7.69)
2. Add / (Less) : Adjustment of Deferred Tax Provision	(1.62)	(9.54)	0.17	0.51	0.98	2.49
3. Add / (Less) : Adjustment of Foreign Exchange Rate Difference	15.03	0.15	0.93	(8.89)	7.82	-
4. Add / (Less) : Adjustment of ROC Exps. For Increase in Authorized Share Capital	(18.11)	-	-	-	-	-
5. Add / (Less) : Adjustment of Interest on Fixed Deposits	3.31	-	-	-	-	-
6. Add / (Less) : Adjustment of CSR Expenditure	(4.04)	(28.44)	(28.87)	(1.30)	-	-
7. Adjustment of IT Provision	(13.99)	1.31	(1.99)	9.92	(3.98)	1.93
Total (B)	(19.43)	(17.18)	(34.13)	(4.03)	1.79	(3.27)
Net Profit as Restated (A+B)	1,081.74	1,376.12	1,091.75	719.71	443.15	417.26

**NOTE ON RESTATEMENTS:-**
**1. Provision of Gratuity**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.

**2. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being restated carry forward losses, restated unpaid leave and gratuity, restated closing WDV's as per books and as per income tax act.

Deferred Tax Liability as on 31st March, 2012 has not been worked out in the books of accounts of the company and the same has been adjusted in the opening reserves as on 1st April 2012 as under:

Particulars	Amt. (₹ in Lakhs)	Amt. (₹ in Lakhs)
Securities Premium Account		
Balance as per last standalone financial statements		88.04
Surplus in Statement of Profit & Loss		
Balance as per last standalone financial statements	1,094.23	
Less : Deferred Tax Liability as at 31 <sup>st</sup> March, 2012	(7.60)	
Surplus in Statement of Profit & Loss (Restated) Opening 1st April, 2012		1,086.63
Total Opening Reserves (Restated)		1,174.67

### 3. Adjustment of Foreign Exchange Rate Difference

Adjustment of foreign exchange rate difference is on account of valuing monetary items outstanding at year end at closing exchange rate prevailing at respective year end, which is in line with AS-11

### 4. ROC Fees for Increase in Authorized Share Capital

ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non current assets) as per Audited Financial Statements (AFS)

### 5. Adjustment of Interest on Fixed Deposits

Interest Accrued on Certain Fixed Deposits for the period ended 31st December, 2017 booked in Restated Financial Statements

### 6. Adjustment of CSR Expenditure

Year wise CSR Expenditure incurred by the company has been charged to restated statement of profit & loss whereas the same has been written off / debited against reserves and surplus in audited financial statements.

### 7. Adjustment of IT Provision

Adjustment of IT Provision is on account of restated taxable income arrived at after giving effect of above mentioned material adjustments and as per normal rules of income tax provision.

### 8. Material Regrouping in Restated Standalone Financial Statements

Appropriate adjustments have been made in the Restated Standalone Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company for the period ended December 31, 2017 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended) The following tables signify material regroupings carried out in restated standalone financial statements:

**Table 1 : Reconciliation of Long Term Provisions**

Closing Gratuity Provision restated under Long Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Long Term Provisions as per AFS	-	-	-	-	-	-
Gratuity Provision (Long Term Portion as per Actuarial Valuation Report)	26.95	25.96	18.60	14.30	10.06	7.48
Long Term Provisions as Restated	26.95	25.96	18.60	14.30	10.06	7.48

**Table 2 : Reconciliation of Short Term Borrowings**

Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Borrowings as per AFS	326.84	64.58	26.23	1.22	65.91	137.92
Current Maturity of Long Term Debt	(67.29)	(64.58)	(26.23)	(1.22)	(4.60)	(4.16)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Borrowings as Restated	259.55	-	-	-	61.31	133.76

**Table 3 : Reconciliation of Trade Payables**

Trade Payables adjusted for effect of Foreign Exchange Rate Difference as per AS-11 Effect of Changes in Foreign Exchange Rates

(₹ In Lakhs)						
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Trade Payables as per AFS	1,470.38	958.82	1,281.10	872.92	750.25	513.16
Foreign Exchange Rate Difference	-	-	-	-	(7.77)	-
Trade Payables as per Restated	1,470.38	958.82	1,281.10	872.92	742.48	513.16

**Table 4: Reconciliation of Other Current Liabilities**

- 1.) Current Maturity of Long Term Debts restated under Other Current Liabilities instead of Short Term Borrowings as per Audited Financial Statements (AFS)
- 2.) Advance to employees (debit balance) restated under Short Term Loans & Advances instead of Other Current Liabilities as per Audited Financial Statements (AFS 3.) Closing Gratuity Provision restated under Long Term Provision and Short Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)
- 4.) Effect of Foreign Exchange Rate Difference given to Advances Received from Customers (AFC) in foreign currency and outstanding as at year end.

(₹ In Lakhs)						
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Current Liabilities as per AFS	367.78	433.47	385.64	336.98	211.60	143.16
Current Maturity of Long Term Debt	67.29	64.58	26.23	1.22	4.60	4.16
Advance to Employees	-	1.59	0.91	0.66	0.36	0.49
Gratuity Provision	(28.89)	(26.89)	-	-	-	-
Effect of Foreign Exchange Rate Difference in Advances Received from Customers (AFC)	-	-	0.15	1.49	(0.08)	-
Other Current Liabilities as Restated	406.19	472.75	412.93	340.36	216.48	147.82

**Table 5 : Reconciliation of Short Term Provisions**

- 1.) Closing Gratuity Provision restated under Short Term Provision as per actuary valuation report instead of Other Current Liabilities as per Audited Financial Statements (AFS)
- 2.) Difference in Income Tax Provision (Restated) and as per Audited Financial Statements (AFS)

(₹ In Lakhs)						
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Provisions as per AFS	204.34	111.34	111.98	82.84	23.36	43.05
Gratuity Provision (Short Term Portion as per Actuarial Valuation Report)	1.93	0.93	0.74	0.67	0.66	0.21
Diff in IT Provision	6.80	(7.19)	(5.87)	(7.87)	2.05	(1.93)
Short Term Provisions as Restated	213.08	105.08	106.85	75.65	26.07	41.33

**Table 6 : Reconciliation of Non-Current Investments**

Investments in Quoted Equity Shares of Listed Entities transacted through recognized stock exchanges and readily available for sale / transfer have been restated under Current Investments instead of Non-Current Investments as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Non-Current Investments as per AFS	928.16	412.05	456.34	301.45	182.71	154.73
Investment in Quoted Shares	(24.59)	-	(19.28)	(15.73)	(12.41)	(14.44)
Non-Current Investments as Restated	903.57	412.05	437.05	285.72	170.29	140.29

**Table 7 : Reconciliation of Current Investments**

Investments in Quoted Equity Shares of Listed Entities transacted through recognized stock exchanges and readily available for sale / transfer have been restated under Current Investments instead of Non-Current Investments as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Current Investments as per AFS	-	-	-	-	-	-
Investment in Quoted Shares	24.59	-	19.28	15.73	12.41	14.44
Current Investments as Restated	24.59	-	19.28	15.73	12.41	14.44

**Table 8 : Reconciliation of Other Non-Current Assets**

ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non current assets) as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Non-Current Assets as per AFS	28.11	-	-	-	-	-
Share Issue Expenses	(18.11)	-	-	-	-	-
Other Non-Current Assets as Restated	10.00	-	-	-	-	-

**Table 9 : Reconciliation of Trade Receivables**

Effect of Foreign Exchange Rate Difference given to Trade Receivables in foreign currency and outstanding as at year end.

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Trade Receivables as per AFS	1,751.47	1,270.77	1,302.35	844.66	679.25	485.83
Effect of Foreign Exchange Rate Difference in Trade Receivables	-	-	-	0.42	(0.03)	-
Trade Receivables as Restated	1,751.47	1,270.77	1,302.35	845.08	679.22	485.83

**Table 10 : Reconciliation of Cash & Cash Equivalents**

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Cash & Cash Equivalents as per AFS : (A1)	445.12	651.45	795.83	210.41	409.33	409.51
Foreign Exchange Rate Difference Gain booked on monetary items (A2)	15.03	-	-	-	-	-
Interest Accrued on Certain Fixed Deposits for the period ended 31st December, 2017 booked in Restated Financial Statements (A3)	3.31	-	-	-	-	-
Cash & Cash Equivalents as Restated after Consolidation : (A1+A2+A3)	463.45	651.45	795.83	210.41	409.33	409.51

**Table 11: Reconciliation of Short Term Loans & Advances**

Advance to employees (debit balance) restated under Short Term Loans & Advances instead of Other Current Liabilities as per Audited Financial Statements (AFS)

	(₹ In Lakhs)					
Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Short Term Loans & Advances as per AFS	621.62	179.15	71.43	139.01	76.34	48.86
Advance to Employees	-	1.59	0.91	0.66	0.36	0.49
Short Term Loans & Advances as Restated	621.62	180.74	72.35	139.68	76.70	49.35

**Table 12: Reconciliation of Other Income**

- 1.) Business Support Charges, Dossier Fees, Duty Drawback on Export, Export Incentive Income (MEIS Receivable), Freight Packing & Forwarding Charges Recovered, Product Cylinder- Processing Charges, Product Permission Charges and Packing Material Inventory Charges restated under Other Operating Income instead of Other Income as per Audited Financial Statements (AFS)
- 2.) Balance items of income i.e. Discount Received / Price Difference, Dividend, Foreign Exchange Gain (Net), Packing & Forwarding Charges Recovered, Interest on Term Deposits, Interest on IT Refund, Profit/(Loss) on Sale of Shares, Excise Duty - ARE1, Packing Material rejection charges, Sales Promotion Charges Recovered only disclosed under Other Income in Restated Financial Statements.
- 3.) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Other Expenses as per Audited Financial Statements (AFS)
- 4.) Adjustment of foreign exchange rate difference on account of valuing monetary items outstanding at year end at closing exchange rate prevailing at respective year end, which is in line with AS-11

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
1.) Other Operating Income (Restated) (Annx T)	138.39	47.31	56.83	37.52	50.71	46.72
Other Income Including Foreign Exchange Gain / (Loss) (Restated) (Annx T)	88.74	52.59	47.76	22.37	49.01	26.04
Add : Foreign Exchange Loss debited in Other Expenses	3.07	-	-	-	-	-
(Less) : Foreign Exchange Gain Booked in Restated FS	(15.03)	-	-	-	-	-
(Less) : Interest on Fixed Deposits Booked	(3.31)	-	-	-	-	-
2.) Other Income before Foreign Exchange e n Loss	73.48	52.59	47.76	22.37	49.01	26.04
3.) Adjustment of Foreign Exchange Rate Difference	-	(0.15)	(0.93)	8.89	(7.82)	-
Total 1+2+3	211.87	99.75	103.66	68.78	91.90	72.76
Total of Other Operating Income & Other Income as per Audited Financial Statements	211.87	99.75	103.66	68.78	91.90	72.76

#### ANNEXURE-IV

**Table 13 : Reconciliation of Finance Cost**

- 1) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2) Interest on Income Tax restated under Finance Cost instead of debited in Provision for Current Tax as per Audited Financial Statements (AFS)

(₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Finance Cost as per AFS	15.23	19.00	9.56	10.15	6.37	7.38
Interest on delayed payment of TDS / EPF / Professional Tax / Service Tax & DDT	0.05	0.12	0.08	0.00	0.00	0.05
Interest on Income Tax	7.24	6.18	4.98	0.49	1.93	-
Finance Cost as Restated	22.51	25.30	14.62	10.64	8.30	7.42

**Table 14: Reconciliation of Employee Benefit Expense**

The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Employee Benefit Exps. as per AFS	723.00	753.40	597.85	470.65	340.39	258.87
Gratuity Provision made in respective years in Restated Financial Statements	-	-	4.37	4.25	3.03	7.69
Employee Benefit Exps. as Restated	723.00	753.40	602.21	474.91	343.42	266.56

**Table 15: Reconciliation of Other Expenses (Selling & Distribution Expenses and Administrative Expenses)**

- 1) Interest on late payment of statutory dues restated under Finance Cost instead of Other Expenses as per Audited Financial Statements (AFS)
- 2) Foreign Exchange Loss adjusted against Foreign Exchange Gain and restated under Other Income instead of Other Expenses as per Audited Financial Statements (AFS)
- 3) ROC Fees for Increase in Authorized Share Capital restated under Other Expenses instead of Share Issue Exps. (not written off) (other non current assets) as per Audited Financial Statements (AFS)

(₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Other Exps. as per AFS	699.62	837.63	771.89	714.13	475.93	417.07
Interest on delayed payment of TDS / EPF / Professional Tax / Service Tax & DDT	(0.05)	(0.12)	(0.08)	(0.00)	(0.00)	(0.05)
Foreign Exchange Loss debited in Other Expenses restated under Foreign Exchange Rate Difference (Other income)	(3.07)	-	-	-	-	-
ROC Fees for Increase in Authorized Share Capital	18.11	-	-	-	-	-
Other Exps. as Restated	714.61	837.51	771.82	714.13	475.93	417.02

**Table 16 : Reconciliation of Reserves & Surplus**

- 1.) Opening Provision for Deferred Tax Liabilities as on 1st April 2012 created as per Point No. 17(2) Above
- 2.) Year Wise Changes on account of Material Adjustments as per Point No. 17 Above

(₹ In Lakhs)

Particulars	31-12-2017	2016-17	2015-16	2014-15	2013-14	2012-13
Reserves & Surplus as per AFS	5,070.91	5,136.68	3,790.96	2,713.06	2,010.70	1,587.93
Opening Deferred Tax Provision (Restated)	-	-	-	-	-	(7.60)
Material Adjustments Year Wise (Refer Point No. 17) (Excluding CSR Exps.)	(15.39)	11.27	(5.26)	(2.72)	1.79	(3.27)
Impact of Material Adjustments of Earlier Years	(5.79)	(17.06)	(11.80)	(9.08)	(10.87)	-
Reserves & Surplus as Restated	5,049.73	5,130.89	3,773.90	2,701.26	2,001.63	1,577.06

The above standalone statement should be read with the restated standalone statement of assets and liabilities, standalone statement of profit & loss and cash flow statement as appearing in Annexures I, II and III respectively

**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL**

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
<b>(₹ In Lakhs)</b>						
Share Capital						
Authorized Share Capital						
Equity shares of ₹10 each	20,000,000	1,510,000	1,510,000	1,510,000	1,510,000	1,510,000
Share Capital (Amt. ₹ In Lakhs)	2,000.00	151.00	151.00	151.00	151.00	151.00
Issued, Subscribed and Paid up Share Capital						
Equity Shares of ₹ 10 each fully paid up	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Share Capital (Amt. ₹ In Lakhs)	1,270.87	127.09	127.09	127.09	127.09	127.09
Total	1,270.87	127.09	127.09	127.09	127.09	127.09

Reconciliation of Number of Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Equity Shares						
Shares outstanding at the beginning of the year	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865
Shares Issued during the year	11,437,785	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	12,708,650	1,270,865	1,270,865	1,270,865	1,270,865	1,270,865

Shares in the company held by each shareholder holding more than 5 percent share

Name of Shareholder	31/12/17		31/03/17		31/03/16		31/03/15		31/03/14		31/03/13	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
Vikash Rajgarhia	3,065,000	24.12%	306,500	24.12%	458,500	36.08%	458,500	36.08%	458,500	36.08%	458,500	36.08%
Vivek Rajgarhia	1,515,000	11.92%	151,500	11.92%	151,500	11.92%	151,500	11.92%	151,500	11.92%	127,250	10.01%
Vishal Rajgarhia	2,507,000	19.73%	250,700	19.73%	98,700	7.77%	98,700	7.77%	98,700	7.77%	91,700	7.22%
Global Medicines Ltd.	2,881,500	22.67%	288,150	22.67%	288,150	22.67%	288,150	22.67%	288,150	22.67%	320,150	25.19%
Priti Rajgarhia	1,014,000	7.98%	101,400	7.98%	101,400	7.98%	101,400	7.98%	101,400	7.98%	91,425	7.19%

Name of Shareholder	31/12/17		31/03/17		31/03/16		31/03/15		31/03/14		31/03/13	
	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding	No. Of Shares held	% of Holding
	10,982,500		1,098,250		1,098,250		1,098,250		1,098,250		1,089,025	

Shares issued other than cash, bonus issue and shares bought back

Particulars	Year (Aggregate No. of Shares)					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Equity Shares :						
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	11,437,785	-	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil	Nil
Unpaid Calls	31/12/17	31/03/17				
By Directors	Nil	Nil				
By others	Nil	Nil				

Notes:

**1. Increase in Authorized Capital**

The Company's Authorized Share Capital was ₹ 1,51,00,000/-. The Company has increased its authorized share capital by filing resolution for increase in its authorized capital from ₹ 1,51,00,000/- to 20,00,00,000/- in Extra – Ordinary general meeting held on 6th November, 2017

**2. Issue of Bonus Shares**

The Company issued 1,14,37,785 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Reserves & Surplus and allotment done on 28th December, 2017

**3. Terms / Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

**4. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.**

**5. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.**

**6. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively**

**ANNEXURE – B**  
**RESTATED STANDALONE STATEMENT OF RESERVES AND SURPLUS**

(₹ In Lakhs)

Particulars	As at					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Securities Premium Account</b>						
Opening Balance	88.04	88.04	88.04	88.04	88.04	88.04
Add: Premium on shares issued during the year	-	-	-	-	-	-
Less: Utilized during the year	-	-	-	-	-	-
Closing Balance (A)	88.04	88.04	88.04	88.04	88.04	88.04
<b>Surplus in Statement of Profit &amp; Loss</b>						
Opening Balance	5,042.85	3,685.86	2,613.22	1,913.58	1,489.02	1,086.63
Add : Profit for the year	1,081.74	1,376.12	1,091.75	719.71	443.15	417.26
Less : Bonus Issue	(1,143.78)	-	-	-	-	-
Less : Proposed / Interim Dividend	(15.89)	(15.89)	(15.89)	(15.89)	(15.89)	(12.71)
Less : Tax on Proposed / Interim Dividend	(3.23)	(3.23)	(3.23)	(2.81)	(2.70)	(2.16)
Less : Depreciation due to change in method	-	-	-	(1.38)	-	-
Closing Balance (B)	4,961.69	5,042.85	3,685.86	2,613.22	1,913.58	1,489.02
<b>TOTAL</b>	<b>5,049.73</b>	<b>5,130.89</b>	<b>3,773.90</b>	<b>2,701.26</b>	<b>2,001.63</b>	<b>1,577.06</b>

**Notes:**

1. Company does not have any Revaluation Reserve.
2. Refer Annexure AE regarding details of dividend declared.
3. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
4. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-C**  
**RESTATED STANDALONE STATEMENT OF LONG TERM BORROWINGS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Long Term Borrowings						
Term Loans and Vehicle Loans						
From Banks & Financial Institutions	41.85	93.29	28.71	25.17	1.22	5.82
<b>TOTAL</b>	<b>41.85</b>	<b>93.29</b>	<b>28.71</b>	<b>25.17</b>	<b>1.22</b>	<b>5.82</b>
Current portion of long-term borrowings, included under Other Current Liabilities	67.29	64.58	26.23	1.22	4.60	4.16
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>109.15</b>	<b>157.87</b>	<b>54.94</b>	<b>26.39</b>	<b>5.82</b>	<b>9.98</b>
The above amount includes:						
Secured Borrowings	109.15	157.87	54.94	26.39	5.82	9.98
Unsecured Borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>109.15</b>	<b>157.87</b>	<b>54.94</b>	<b>26.39</b>	<b>5.82</b>	<b>9.98</b>

**Notes:**

- The terms and conditions and other information in respect of Secured Loans are given in Annexure-C
- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-C1**  
**RESTATED STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(₹ In Lakhs)

<b>A. Working Capital Facilities &amp; Term Loans from Banks</b>							
<b>Name of Lender</b>	<b>Purpose</b>	<b>Sanction Amount</b>	<b>Rate of interest</b>	<b>Securities offered</b>	<b>Re-payment</b>	<b>Moratorium</b>	<b>As At</b>
<b>Secured Borrowings</b>						<b>31/12/17</b>	<b>31/03/17</b>
Kotak Mahindra Bank Ltd.	Working Capital (Cash Credit)	300 Lakhs (as on date) (with Sub-Limit for BG & LC of ₹ 300 Lakhs)	16-17 MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.50% p.a. 31-12-17 MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.30% p.a.	Refer Notes 1, 2 & 3 for Primary Security, Collateral Security & Guarantee respectively	On Demand	NA	259.55 -
Standard Chartered Bank	Term Loan (Office Building) (Office No. 1401, Mondeal Heights)	450 Lakhs	MCLR + Spread @ 0.45% i.e. Effective Interest Rate 9.90% p.a.	Security in form of Property Financed (Refer Note 4)	180 Monthly Instalment of ₹ 4.81 Lakhs	Nil	50.50 89.08
ICICI Bank Ltd.	Term Loan (Resi. Building) (Kings Villa)	30 Lakhs	9.05% p.a.	Security in form of Property Financed (Refer Note 5)	180 Monthly Instalment of ₹ 0.32 Lakhs	Nil	27.71 28.76

Kotak Mahindra Bank Ltd. - Cash Credit ₹ 300 Lakhs

1. Primary Security: First charge on all present and future current and movable assets including movable fixed assets.
2. Collateral Security : Registered Equitable Mortgage of Office No. 306, Third Floor, "Third Eye-One", Commercial Complex, Nr. Panchvati Cross Roads, C. G. Road, Ahmedabad admeasuring about 2730 Sq Ft.
3. Guarantee: Personal Guarantee of Vikash Rajgarhia, Vivek Rajgarhia and Vishal Rajgarhia

Standard Chartered Bank - Term Loan - Office Building

4. **Security:** Registered Equitable Mortgage of Office No. A-1401 (14th Floor), Mondeal Heights, Nr. Wide Angle Multiplex, S. G. Highway, Ahmedabad 380051 admeasuring about 10583 Sq Ft.



**Finecure Pharmaceuticals Limited**

ICICI Bank Ltd. - Term Loan - Resi. Building

**5. Security:** Registered Equitable Mortgage of Survey No. 281, Villa No. 91, Kings Villa, Vill: Adroda, Tal: Bavla, Ahmedabad

B. Business Loans / Vehicle Loans from Banks & Financial Institutions

							(₹ In Lakhs)	
Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	As At	
							31/12/17	31/03/17
Kotak Mahindra Prime Ltd.	Vehicle Loan	40.00	8.32%	Hypothecation of Vehicle Financed	36 Monthly Instalments of ₹ 1.25 Lakhs Each	Nil	30.94	40.04

**ANNEXURE- D**  
**RESTATED STANDALONE STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(₹ In Lakhs)

Particulars	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Opening Balance (A)						
Opening Balance (Asset) / Liability of DeferredTax	59.87	43.65	26.35	9.37	7.56	7.60
Closing Balances (B)						
(DTA) / DTL onTiming Difference in Depreciation as per Companies Act and Income Tax Act.	76.44	69.17	50.04	31.21	12.85	10.06
(DTA) / DTL on account of gratuity provision	(10.00)	(9.31)	(6.40)	(4.86)	(3.48)	(2.49)
Closing Balance of Deferred Tax (Asset) / Liability (B)	66.44	59.87	43.65	26.35	9.37	7.56
Current Year Provision (B-A)	6.57	16.22	17.30	16.98	1.80	(0.03)

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-E**  
**RESTATED STANDALONE STATEMENT OF LONG-TERM PROVISIONS**

(₹ in Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Provision for Gratuity (unfunded)	26.95	25.96	18.60	14.30	10.06	7.48
<b>TOTAL</b>	<b>26.95</b>	<b>25.96</b>	<b>18.60</b>	<b>14.30</b>	<b>10.06</b>	<b>7.48</b>

**Notes:**

1. The company had provided for gratuity for the years ended on 31st March, 2013 to 31st March, 2017 in FY 16-17 by classifying expenses related to FY 12-13 to FY 15-16 as prior period expenses. For the purpose of Restatement the figures for gratuity provision have been adjusted in the respective years on the basis of actuarial valuation.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-F**  
**RESTATED STANDALONE STATEMENT OF SHORT TERM BORROWINGS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Short Term Borrowings						
From Banks- Cash Credit	259.55	-	-	-	61.31	133.76
<b>TOTAL</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>
Interest accrued but not due, included under Other current liabilities (short-term borrowings)	-	-	-	-	-	-
<b>TOTAL SHORT-TERM</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>
The above amount includes:						
Secured Borrowings	259.55	-	-	-	61.31	133.76
Unsecured Borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>259.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.31</b>	<b>133.76</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-C1
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-G**  
**RESTATED STANDALONE STATEMENT OF TRADE PAYABLES**

(₹ in Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Trade Payables						
For Goods & Expenses - Micro, Small & Medium Enterprises	2.63	2.56	2.40	2.82	0.80	-
For Goods & Expenses - Others	1,467.75	956.26	1,278.70	870.10	741.69	513.16
<b>TOTAL</b>	<b>1,470.38</b>	<b>958.82</b>	<b>1,281.10</b>	<b>872.92</b>	<b>742.48</b>	<b>513.16</b>
Of Above, Due Payable to Related Parties						
Directors, Relatives & Entities significantly influenced by directors	3.21	0.80	13.69	148.89	-	0.08

**Notes:**

- The company has made disclosure u/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006 (Refer Note II(2) Notes to Summary Restatements) in Annexure IV  
The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV

**RESTATED STANDALONE STATEMENT OF OTHER CURRENT LIABILITIES  
ANNEXURE-H**

(₹ in Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Current maturities of long-term borrowings						
From Banks & Financial Institutions	67.29	64.58	26.23	1.22	4.60	4.16
Duties & Taxes / Statutory Liabilities	10.46	18.98	17.23	9.99	30.68	8.16
Advance from customers	159.41	148.92	182.15	252.98	128.02	97.61
Security Deposits	120.35	195.22	143.54	45.09	31.77	23.76
Other Payables (Salary Payable)	48.67	45.05	43.78	31.07	21.40	14.12
<b>TOTAL</b>	<b>406.19</b>	<b>472.75</b>	<b>412.93</b>	<b>340.36</b>	<b>216.48</b>	<b>147.82</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV

**ANNEXURE-I**  
**RESTATED STANDALONE STATEMENT OF SHORT-TERM PROVISIONS**

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Provisions :						
For Income Tax (Net of Advance Tax & TDS)	211.14	85.03	86.99	56.39	6.83	26.25
Provision for Employee Benefits (Gratuity Provision - Short Term)	1.93	0.93	0.74	0.67	0.66	0.21
Proposed Dividend	-	15.89	15.89	15.89	15.89	12.71
Tax on Proposed Dividend	-	3.23	3.23	2.70	2.70	2.16
<b>TOTAL</b>	<b>213.08</b>	<b>105.08</b>	<b>106.85</b>	<b>75.65</b>	<b>26.07</b>	<b>41.33</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-J**  
**RESTATED STANDALONE STATEMENT OF FIXED ASSETS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Property, Plant & Equipment (PPE)						
Land / Open Plots						
Plot Area - Pusparaj	12.52	12.52	12.52	12.52	12.52	12.52
Land- Bavla	123.83	123.83	123.83	123.83	123.83	102.08
Leasehold Land - GIDC Sanand	388.41	391.37	-	-	-	-
Factory Building	168.70	174.57	182.60	193.33	196.33	210.42
Office Building	92.08	93.26	94.84	96.46	86.44	90.99
Guest House - Kings Villa - Bavla	129.66	131.25	-	-	-	-
Land & Site Development	8.32	8.32	8.32	8.32	8.32	8.32
Plant & Machineries						
Plant & Machineries	510.85	492.87	484.41	432.60	394.74	340.14
Vehicles						
Vehicles	65.17	72.55	15.19	21.35	25.52	22.60
Office Equipments and Furniture & Fixtures						
Office Equipments	10.63	12.77	12.32	15.84	4.90	5.33
Furniture & Fixtures	54.96	48.04	46.99	48.42	9.16	10.63
Computers & Softwares						
Computers, Servers & Networks	89.67	84.31	94.91	18.45	11.67	7.17
Total Property, Plant & Equipment	1,654.81	1,645.66	1,075.92	971.13	873.43	810.20
Transferred to Retained Earnings / Reserves				(1.38)		
Net Property, Plant & Equipment	1,654.81	1,645.66	1,075.92	969.75	873.43	810.20
Capital Work-in-Progress						
Land & Site Development	111.07	111.07	111.07	107.11	-	-
Office Building - Office No. 306	-	-	-	-	40.61	-
Office Building - Mondeal Heights	1,480.22	1,453.49	677.24	566.00	-	-
Construction on Leasehold Land - Sanand GIDC	269.99	-	-	-	-	-
Guest House - Kings Villa - Bavla	-	-	133.19	-	-	-
Furniture & Fixtures	1.35	-	-	-	-	-
Office Equipments	0.43	-	-	-	-	-
Total Capital Work-in-Progress	1,863.07	1,564.57	921.50	673.10	40.61	-
Grand Total	3,517.88	3,210.22	1,997.42	1,642.86	914.04	810.20

**Notes:**

1. ₹ 51,692 and ₹ 85,982 in case of Computers and Office Equipments have been respectively transferred to Retained Earnings / Reserves on account of useful life of assets already expired / change in method of depreciation
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-K**  
**RESTATED STANDALONE STATEMENT OF NON-CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Non Current Investments (Other Than Trade, at Cost)												
Investment in Equity, Unquoted												
Shares of Finebiotics Pharma Ltd. (Previously Known as Finebiotics Pharma Pvt. Ltd.) (Previous to Previously Known as Pharland Healthcare Pvt. Ltd.)	4,467,117	406.34	2,560,999	215.72	2,810,999	240.72	3,260,999	285.72	2,106,699	170.29	1,806,690	140.29
Total (A)	4,467,117	406.34	2,560,999	215.72	2,810,999	240.72	3,260,999	285.72	2,106,699	170.29	1,806,690	140.29
Investment in Partnership Firm												
Finecure Medisciencences (Previously Known as 'Modern Door Devices')		497.23	-	196.33	-	196.33	-	-	-	-	-	-
Total (B)	-	497.23	-	196.33	-	196.33	-	-	-	-	-	-
<b>TOTAL</b>	<b>4,467,117</b>	<b>903.57</b>	<b>2,560,999</b>	<b>412.05</b>	<b>2,810,999</b>	<b>437.05</b>	<b>3,260,999</b>	<b>285.72</b>	<b>2,106,699</b>	<b>170.29</b>	<b>1,806,690</b>	<b>140.29</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-L**  
**RESTATED STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Unsecured, Considered Good unless otherwise stated						
Security Deposits	36.51	34.43	22.33	20.39	15.08	15.11
<b>TOTAL</b>	<b>36.51</b>	<b>34.43</b>	<b>22.33</b>	<b>20.39</b>	<b>15.08</b>	<b>15.11</b>

**Notes:**

1. None of the long term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group company.
2. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
3. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-M**  
**RESTATED STANDALONE STATEMENT OF OTHER NON-CURRENT ASSETS**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Closing Inventories of						
Share Issue Expenses	10.00	-	-	-	-	-
(to the extent not written off)						
<b>TOTAL</b>	<b>10.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-N**  
**RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17 Nos	31/12/17 ₹	31/03/17 Nos	31/03/17 ₹	31/03/16 Nos	31/03/16 ₹	31/03/15 Nos	31/03/15 ₹	31/03/14 Nos	31/03/14 ₹	31/03/13 Nos	31/03/13 ₹
Current Investments												
(Traded, Valued at Cost)												
Investment in Equity, Quoted												
Aditya Birla Capital limited	500	1.01	-	-	-	-	-	-	-	-	-	-
Alstom India Limited	-	-	-	-	-	-	50	0.36	-	-	-	-
Akzo Nobel India Limited	-	-	-	-	-	-	75	1.03	-	-	-	-
The Andhra Sugars Limited	-	-	-	-	-	-	-	-	400	0.59	400	0.59
Arihant Capital Markets Limited	500	0.91	-	-	-	-	-	-	-	-	-	-
Ashoka Buildcon Limited	-	-	-	-	150	0.28	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	700	0.43	-	-	-	-
Associated Stone Industries	1,000	0.41	-	-	-	-	-	-	-	-	-	-
Axis Bank Limited	-	-	-	-	100	0.45	-	-	-	-	-	-
Bajaj Electricals Limited	-	-	-	-	1,000	2.28	-	-	-	-	-	-
Bajaj Finance Limited	-	-	-	-	-	-	500	1.41	-	-	19	0.26
Bank of Baroda	-	-	-	-	-	-	-	-	150	1.00	150	1.00
Bharat Forge Limited	100	0.63	-	-	-	-	-	-	-	-	-	-
Bharat Seats Limited	-	-	-	-	-	-	500	0.17	-	-	-	-
Brigade Enterprises Limited	-	-	-	-	250	0.38	-	-	-	-	-	-
Capital First Limited	-	-	-	-	150	0.56	-	-	-	-	-	-
Career Point Limited	-	-	-	-	370	0.50	-	-	-	-	-	-
Credit Analysis & Research Limited	-	-	-	-	50	0.54	-	-	-	-	-	-
Century Plyboards India Limited	-	-	-	-	250	0.46	-	-	-	-	-	-
Century Textiles and Industries Limited	50	0.65	-	-	-	-	-	-	-	-	-	-
CG Power and Industrial Solutions Limited	1,000	0.82	-	-	-	-	-	-	-	-	-	-
Cholamandalam Investment and Fin. Co. Ltd.	-	-	-	-	-	-	50	0.28	-	-	-	-
Ciarichem - B	-	-	-	-	-	-	-	-	-	-	40	0.24
Dewan Housing Finance Corporation Limited	500	2.81	-	-	-	-	-	-	-	-	350	0.85

**Finecure Pharmaceuticals Limited**

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Dhampur Sugar Mills Limited	-	-	-	-	-	-	-	-	500	0.70	500	0.70
Dewan Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	100	0.18
Diligent Media Corporation Limited	250	-	-	-	-	-	-	-	-	-	-	-
EMCO Limited	-	-	-	-	-	-	1,000	0.42	-	-	-	-
Fortis Healthcare Limited	-	-	-	-	-	-	-	-	800	1.32	800	1.32
GE T&D India Limited	500	2.12	-	-	-	-	-	-	-	-	-	-
General Insurance Corporation of India	100	0.81	-	-	-	-	-	-	-	-	-	-
GMDC - A	-	-	-	-	-	-	-	-	300	0.61	300	0.61
GMDC LTD New - EQ	-	-	-	-	-	-	-	-	200	0.42	200	0.42
Godrej Consumer Products Limited	50	0.47	-	-	-	-	-	-	-	-	-	-
Godrej Properties Limited	-	-	-	-	-	-	375	0.99	-	-	-	-
Gujarat State Fertilizers & Chemicals Limited	-	-	-	-	525	0.47	1,250	1.12	-	-	-	-
Hindustan Constuction Co. Limited	-	-	-	-	-	-	-	-	2,500	0.93	1,000	0.72
Housing Development Finance Corporation Ltd	50	0.83	-	-	-	-	-	-	-	-	-	-
IDFC Limited	-	-	-	-	1,800	1.20	200	0.32	-	-	-	-
IL&FS Transportation Networks Limited	-	-	-	-	900	1.02	300	0.56	-	-	-	-
India Energy Exchange Limited	50	0.78	-	-	-	-	-	-	-	-	-	-
Inox Wind Limited	-	-	-	-	875	3.17	-	-	-	-	-	-
Jaihind Projects Limited	-	-	-	-	100	0.24	100	0.24	100	0.24	100	0.24
JSW Energy Limited	-	-	-	-	400	0.39	-	-	-	-	-	-
KEI Industries Limited	-	-	-	-	-	-	1,000	0.59	-	-	-	-
The Kartanaka Bank Limited	-	-	-	-	-	-	300	0.44	-	-	-	-
L & T Finance Holdings Limited	-	-	-	-	-	-	2,000	1.46	-	-	-	-
Laxmi Machine Works Limited	-	-	-	-	-	-	-	-	-	-	20	0.56
Madhucon Projects Limited	-	-	-	-	-	-	-	-	3,250	1.03	450	0.64

**ANNEXURE-N**  
**RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Mahasagar Gas Limited	100	1.14	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Limited	100	0.70	-	-	-	-	-	-	-	-	-	-
Mannapurram Finance Limited	1,000	1.08	-	-	-	-	-	-	-	-	-	-
MBL Infrastructures Limited	-	-	-	-	1,000	1.79	-	-	-	-	-	-
NCC Limited	-	-	-	-	1,000	0.82	250	0.23	-	-	-	-
Nectar Lifesciences Limited	-	-	-	-	-	-	-	-	2,000	0.36	2,000	0.36
Nitin Spinners Limited	-	-	-	-	-	-	600	0.17	-	-	-	-
Om Matels Infraprojects Limited	-	-	-	-	1,000	0.53	-	-	-	-	-	-
Patel Engineering Limited	-	-	-	-	-	-	-	-	1,200	1.95	1,200	1.95
PTC India Financial Services Limited	-	-	-	-	-	-	-	-	2,800	0.39	-	-
PNB Gilts Limited	-	-	-	-	-	-	2,000	0.55	-	-	-	-
Praj Industries Limited	-	-	-	-	-	-	2,000	1.28	1,000	0.69	1,000	0.69
RBL Bank Limited	500	2.71	-	-	-	-	-	-	-	-	-	-
Reliance Industries Limited	-	-	-	-	-	-	-	-	100	1.08	100	1.08
Rishi Laser Limited	-	-	-	-	1,200	0.87	1,200	0.87	1,200	0.87	1,200	0.87
Rolta India Limited	-	-	-	-	-	-	200	0.27	-	-	-	-
Sahyadri Industries Limited	500	1.09	-	-	-	-	-	-	-	-	-	-
Skipper Limited	1,000	2.15	-	-	-	-	-	-	-	-	-	-
Subex Limited	-	-	-	-	-	-	-	-	1,000	0.24	1,000	0.24
Suven Lifesciences Limited	-	-	-	-	-	-	-	-	-	-	1,850	0.58
Tech Mahindra Limited	-	-	-	-	200	1.46	200	1.46	-	-	-	-
Thermax Limited	-	-	-	-	100	0.92	75	0.80	-	-	-	-
Trident Limited	-	-	-	-	2,000	0.67	-	-	-	-	-	-
Triveni Turbine Limited	-	-	-	-	-	-	275	0.28	-	-	-	-
Unichem Laboratories Limited	-	-	-	-	-	-	-	-	-	-	200	0.35
Universal Cables Limited	1,000	1.49	-	-	-	-	-	-	-	-	-	-
Visaka Industries Limited	-	-	-	-	250	0.31	-	-	-	-	-	-
Websol Energy Systems Limited	1,000	1.15	-	-	-	-	-	-	-	-	-	-
Zee Learn Limited	1,000	0.45	-	-	-	-	-	-	-	-	-	-



**Finecure Pharmaceuticals Limited**

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Zee Media Corporation Limited	1,000	0.36	-	-	-	-	-	-	-	-	-	-
Total	11,850	24.59	-	-	13,670	19.28	15,200	15.73	17,500	12.41	12,979	14.44
Aggregate Book Value of Quoted Investments	11,850	24.59	-	-	13,670	19.28	15,200	15.73	17,500	12.41	12,979	14.44
Aggregate Market Value of Quoted Investments	11,850	26.17	-	-	13,670	15.19	15,200	14.22	17,500	7.35	12,979	8.32

**ANNEXURE-N**  
**RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17 Nos	31/12/17 ₹	31/03/17 Nos	31/03/17 ₹	31/03/16 Nos	31/03/16 ₹	31/03/15 Nos	31/03/15 ₹	31/03/14 Nos	31/03/14 ₹	31/03/13 Nos	31/03/13 ₹
Market Value of Quoted Investments												
Aditya Birla Capital limited	500	0.92	-	-	-	-	-	-	-	-	-	-
Alstom India Limited	-	-	-	-	-	-	50	1.05	-	-	-	-
Akzo Nobel India Limited	-	-	-	-	-	-	75	0.36	-	-	-	-
The Andhra Sugars Limited	-	-	-	-	-	-	-	-	400	0.39	400	0.54
Arihant Capital Markets Limited	500	0.84	-	-	-	-	-	-	-	-	-	-
Ashoka Buildcon Limited	-	-	-	-	150	0.26	-	-	-	-	-	-
Ashok Leyland Limited	-	-	-	-	-	-	700	0.51	-	-	-	-
Associated Stone Industries	1,000	0.42	-	-	-	-	-	-	-	-	-	-
Axis Bank Limited	-	-	-	-	100	0.44	-	-	-	-	-	-
Bajaj Electricals Limited	-	-	-	-	1,000	1.90	-	-	-	-	-	-
Bajaj Finance Limited	-	-	-	-	-	-	500	1.16	-	-	19	0.22
Bank of Baroda	-	-	-	-	-	-	-	-	150	1.09	150	1.01
Bharat Forge Limited	100	0.73	-	-	-	-	-	-	-	-	-	-
Bharat Seats Limited	-	-	-	-	-	-	500	0.15	-	-	-	-
Brigade Enterprises Limited	-	-	-	-	250	0.36	-	-	-	-	-	-
Capital First Limited	-	-	-	-	150	0.65	-	-	-	-	-	-
Career Point Limited	-	-	-	-	370	0.41	-	-	-	-	-	-
Credit Analysis & Research Limited	-	-	-	-	50	0.47	-	-	-	-	-	-
Century Plyboards India Limited	-	-	-	-	250	0.43	-	-	-	-	-	-
Century Textiles and Industries Limited	50	0.72	-	-	-	-	-	-	-	-	-	-
CG Power and Industrial Solutions Limited	1,000	0.93	-	-	-	-	-	-	-	-	-	-
Cholamandalam Investment and Fin. Co. Ltd.	-	-	-	-	-	-	50	0.29	-	-	-	-
Ciarichem - B	-	-	-	-	-	-	-	-	-	-	40	0.19
Dewan Housing Finance Corporation Limited	500	2.91	-	-	-	-	-	-	-	-	350	0.57
Dhampur Sugar Mills Limited	-	-	-	-	-	-	-	-	500	0.20	500	0.21
Dewan Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	100	0.16

**Finecure Pharmaceuticals Limited**

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Diligent Media Corporation Limited	250	0.03	-	-	-	-	-	-	-	-	-	-
EMCO Limited	-	-	-	-	-	-	1,000	0.33	-	-	-	-
Fortis Healthcare Limited	-	-	-	-	-	-	-	-	800	0.78	800	0.78
GE T&D India Limited	500	2.22	-	-	-	-	-	-	-	-	-	-
General Insurance Corporation of India	100	0.75	-	-	-	-	-	-	-	-	-	-
GMDC - A	-	-	-	-	-	-	-	-	300	0.39	300	0.49
GMDC LTD New - EQ	-	-	-	-	-	-	-	-	200	0.26	200	0.33
Godrej Consumer Products Limited	50	0.50	-	-	-	-	-	-	-	-	-	-
Godrej Properties Limited	-	-	-	-	-	-	375	0.94	-	-	-	-
Gujarat State Fertilizers & Chemicals Limited	-	-	-	-	525	0.34	1,250	1.04	-	-	-	-
Hindustan Constuction Co. Limited	-	-	-	-	-	-	-	-	2,500	0.42	1,000	0.14
Housing Development Finance Corporation Ltd	50	0.86	-	-	-	-	-	-	-	-	-	-
IDFC Limited	-	-	-	-	1,800	0.80	200	0.33	-	-	-	-
IL&FS Transportation Networks Limited	-	-	-	-	900	0.64	300	0.58	-	-	-	-
India Energy Exchange Limited	50	0.81	-	-	-	-	-	-	-	-	-	-
Inox Wind Limited	-	-	-	-	875	2.27	-	-	-	-	-	-
Jaihind Projects Limited	-	-	-	-	100	0.01	100	0.01	100	0.01	100	0.02
JSW Energy Limited	-	-	-	-	400	0.28	-	-	-	-	-	-
KEI Industries Limited	-	-	-	-	-	-	1,000	0.62	-	-	-	-
The Kartanaka Bank Limited	-	-	-	-	-	-	300	0.37	-	-	-	-
L & T Finance Holdings Limited	-	-	-	-	-	-	2,000	1.26	-	-	-	-
Laxmi Machine Works Limited	-	-	-	-	-	-	-	-	-	-	20	0.37
Madhucon Projects Limited	-	-	-	-	-	-	-	-	3,250	0.45	450	0.10
Mahasagar Gas Limited	100	1.09	-	-	-	-	-	-	-	-	-	-
Mahindra & Mahindra Limited	100	0.75	-	-	-	-	-	-	-	-	-	-

**ANNEXURE-N**  
**RESTATED STANDALONE STATEMENT OF CURRENT INVESTMENTS**

Particulars	(₹ In Lakhs)											
	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Mannapurram Finance Limited	1,000	1.23	-	-	-	-	-	-	-	-	-	-
MBL Infrastructures Limited	-	-	-	-	1,000	1.53	-	-	-	-	-	-
NCC Limited	-	-	-	-	1,000	0.76	250	0.28	-	-	-	-
Nectar Lifesciences Limited	-	-	-	-	-	-	-	-	2,000	0.49	2,000	0.31
Nitin Spinners Limited	-	-	-	-	-	-	600	0.18	-	-	-	-
Om Matels Infraprojects Limited	-	-	-	-	1,000	0.43	-	-	-	-	-	-
Patel Engineering Limited	-	-	-	-	-	-	-	-	1,200	0.72	1,200	0.68
PTC India Financial Services Limited	-	-	-	-	-	-	-	-	2,800	0.40	-	-
PNB Gilts Limited	-	-	-	-	-	-	2,000	0.60	-	-	-	-
Praj Industries Limited	-	-	-	-	-	-	2,000	1.25	1,000	0.54	1,000	0.39
RBL Bank Limited	500	2.55	-	-	-	-	-	-	-	-	-	-
Reliance Industries Limited	-	-	-	-	-	-	-	-	100	0.92	100	0.77
Rishi Laser Limited	-	-	-	-	1,200	0.24	1,200	0.14	1,200	0.17	1,200	0.17
Rolta India Limited	-	-	-	-	-	-	200	0.32	-	-	-	-
Sahyadri Industries Limited	500	1.38	-	-	-	-	-	-	-	-	-	-
Skipper Limited	1,000	2.70	-	-	-	-	-	-	-	-	-	-
Subex Limited	-	-	-	-	-	-	-	-	1,000	0.09	1,000	0.10
Suven Lifesciences Limited	-	-	-	-	-	-	-	-	-	-	1,850	0.43
Tech Mahindra Limited	-	-	-	-	200	0.95	200	1.26	-	-	-	-
Thermax Limited	-	-	-	-	100	0.76	75	0.80	-	-	-	-
Trident Limited	-	-	-	-	2,000	1.03	-	-	-	-	-	-
Triveni Turbine Limited	-	-	-	-	-	-	275	0.36	-	-	-	-
Unichem Laboratories Limited	-	-	-	-	-	-	-	-	-	-	200	0.34
Universal Cables Limited	1,000	1.79	-	-	-	-	-	-	-	-	-	-
Visaka Industries Limited	-	-	-	-	250	0.26	-	-	-	-	-	-
Webbol Energy Systems Limited	1,000	1.12	-	-	-	-	-	-	-	-	-	-
Zee Learn Limited	1,000	0.44	-	-	-	-	-	-	-	-	-	-

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	31/12/17	31/12/17	31/03/17	31/03/17	31/03/16	31/03/16	31/03/15	31/03/15	31/03/14	31/03/14	31/03/13	31/03/13
	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹	Nos	₹
Zee Media Corporation Limited	1,000	0.47	-	-	-	-	-	-	-	-	-	-
Total	11,850	26.17	-	-	13,670	15.19	15,200	14.22	17,500	7.35	12,979	8.32

(Market Value of Investments as per information provided by the Company)

Notes:

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-O**  
**FINECURE PHARMACEUTICALS LTD. RESTATED STANDALONE STATEMENT OF INVENTORIES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>Closing Inventories of</b>						
Raw Materials (Including Packing Materials)	935.90	676.17	799.22	722.58	671.07	428.85
Semi-Finished Goods	80.50	-	-	-	25.24	2.40
Finished Goods	459.55	537.91	346.99	300.65	215.49	197.61
<b>TOTAL</b>	<b>1,475.96</b>	<b>1,214.09</b>	<b>1,146.20</b>	<b>1,023.23</b>	<b>911.80</b>	<b>628.85</b>

As taken, valued and certified by the management of the company.

Notes:

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-P**  
**RESTATED STANDALONE STATEMENT OF TRADE RECEIVABLES**

(₹ In Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Outstanding for a period exceeding six months (Unsecured and considered Good)						
From Entities significantly influenced by directors	-	-	-	-	6.79	61.72
Others	45.65	48.77	7.35	8.53	5.94	2.36
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)						
From Entities significantly influenced by directors	-	-	-	44.54	64.25	23.67
Others	1,705.82	1,222.00	1,295.00	792.01	602.24	398.08
<b>TOTAL</b>	<b>1,751.47</b>	<b>1,270.77</b>	<b>1,302.35</b>	<b>845.08</b>	<b>679.22</b>	<b>485.83</b>

Notes:

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively
- List of entities classified as 'Entities significantly influence by directors' has been determined by the Management and the same is being relied upon by the Auditors.

**ANNEXURE-Q**  
**RESTATED STANDALONE STATEMENT OF CASH & CASH EQUIVALENTS**

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
a. Cash on Hand	0.50	0.34	7.38	14.71	13.76	11.11
b. Balances with Banks						
- In Current Accounts	83.01	187.31	167.29	137.16	10.35	97.73
- In Bank Deposits	291.95	285.90	570.56	19.93	301.60	222.74
- In Earmarked Accounts						
Balances held as margin money or security against borrowings, guarantees and other commitments	87.99	177.83	39.56	25.76	78.05	66.97
c. DD / Cheques on Hand	-	0.06	11.04	12.85	5.57	10.97
<b>TOTAL</b>	<b>463.45</b>	<b>651.45</b>	<b>795.83</b>	<b>210.41</b>	<b>409.33</b>	<b>409.51</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively
- The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the MCA notification are as under : -

Particulars	SBNs	Other Denominations	Notes	Total
Closing Cash in hand on 8th November, 2016	4.24	0.82		5.05
Add : Withdrawal from Banks	-	-		-
Add : Permitted Receipts	-	4.79		4.79
Less : Permitted Payments	-	4.57		4.57
Less : Paid for non-permitted transactions	-	-		-
Less : Amount Deposited in Banks	4.24	-		4.24
Closing Cash as on 30th December, 2016	-	1.04		1.04

**ANNEXURE-R**  
**RESTATED STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	(₹ In Lakhs)					
	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Unsecured, Considered Good unless otherwise stated						
Prepaid Expenses	8.64	7.04	14.39	15.45	4.39	5.46
Advance Payment Against Taxes	444.87	69.63	41.19	29.62	16.54	20.45
Advance to Suppliers	141.69	101.34	-	13.58	12.50	6.00
Advance to Employees	4.84	2.73	16.77	11.83	2.15	1.32
Export Benefit-MEIS License Balance	21.58	-	-	-	-	-
Other Deposits	-	-	-	-	0.12	0.12
Advances for Property	-	-	-	69.19	41.00	16.00
<b>TOTAL</b>	<b>621.62</b>	<b>180.74</b>	<b>72.35</b>	<b>139.68</b>	<b>76.70</b>	<b>49.35</b>
Of Above, Advances Recoverable From						
Related Parties						
Directors & Relatives of Directors (Advance to Employees)	-	1.59	0.91	0.66	0.36	0.49

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-S**  
**RESTATED STANDALONE STATEMENT OF OTHER CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	As At					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Stock of Sales Promotional Item	-	-	-	-	6.82	7.50
<b>TOTAL</b>	-	-	-	-	6.82	7.50

Notes:

1. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-T**  
**RESTATED STANDALONE STATEMENT OF REVENUE FROM OPERATIONS**  
**RESTATED STANDALONE STATEMENT OF REVENUE FROM SALE OF PRODUCTS**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Sale of Manufactured & Processed Goods	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
Net Sale of Manufactured & Processed Goods	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66
Total	8,250.58	9,740.97	8,723.76	6,513.35	4,484.18	3,117.66

**RESTATED STANDALONE STATEMENT OF OTHER OPERATING INCOMES**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Business Support Charges	2.59	-	1.40	0.88	3.10	9.71
Dossier Fee	6.84	15.93	19.40	5.90	11.86	6.89
Duty Drawback on Export	8.76	6.04	3.68	1.65	0.67	0.66
Export Incentive Income (MEIS Receivable)	31.55	-	-	-	-	-
Freight Packing & Forwarding Charges Recovered	82.61	-	-	-	-	-
Product Cylinder- Processing Charges	2.06	13.80	17.38	14.58	12.92	9.37
Product Permission Charges	0.89	2.87	2.24	3.84	7.18	3.14
Packing Material Inventory Charges	3.09	8.67	12.73	10.68	14.98	16.97
Total	138.39	47.31	56.83	37.52	50.71	46.72

**RESTATED STANDALONE STATEMENT OF OTHER INCOME**
**(₹ in Lakhs)**

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Recurring Income:						
Discount Received / Price Difference	9.33	10.68	27.21	13.67	7.74	10.13
Dividend	0.04	0.11	0.25	0.07	0.15	0.20
Foreign Exchange Gain (Net)	48.37	12.27	2.55	(1.49)	7.85	0.10
Interest on Term Deposits	22.83	28.07	16.09	8.25	32.60	15.29
Interest on IT Refund	-	1.46	-	-	-	-
Non-Recurring Income:						
Profit/(Loss) on Sale of Shares	0.00	-	1.67	1.87	-	0.31
Excise Duty - ARE1	-	-	-	-	0.58	-
Packing Material rejection charges	-	-	-	-	0.08	-
Sales Promotion Charges Recovered	8.17	-	-	-	-	-
<b>Total</b>	<b>88.74</b>	<b>52.59</b>	<b>47.76</b>	<b>22.37</b>	<b>49.01</b>	<b>26.04</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-U**  
**RESTATED STANDALONE STATEMENT OF COST OF RAW MATERIALS & COMPONENTS CONSUMED**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Opening Stock	676.17	799.22	722.58	671.07	428.85	342.15
Add : Purchases (Net)	5,580.02	6,167.43	5,857.68	4,390.43	3,306.89	1,955.05
Less : Transitional Input GST Credit	66.15	-	-	-	-	-
Less : Closing Stock	935.90	676.17	799.22	722.58	671.07	428.85
Raw Materials & Components Consumed	5,254.14	6,290.47	5,781.05	4,338.93	3,064.67	1,868.35

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-V**
**RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**
**(₹ in Lakhs)**

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
a. Inventories (at close)						
Finished Goods	459.55	537.91	346.99	300.65	215.49	197.61
Work-In-Progress	80.50	-	-	-	25.24	2.40
Total (a)	540.06	537.91	346.99	300.65	240.73	200.00
b. Inventories (at commencement)						
Finished Goods	537.91	346.99	300.65	215.49	197.61	135.62
Work-In-Progress	-	-	-	25.24	2.40	8.19
Total (b)	537.91	346.99	300.65	240.73	200.00	143.81
Total (b-a)	(2.14)	(190.93)	(46.34)	(59.92)	(40.73)	(56.19)

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV

**ANNEXURE-W**  
**RESTATED STANDALONE STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Salary, Wages and Bonus (including directors' remuneration)	686.80	703.61	555.10	444.48	320.25	244.57
Contribution to Provident Fund, Gratuity Fund Provision & Other Contribution	23.28	29.06	20.51	18.11	13.36	16.38
Staff Welfare Expenses	12.91	20.73	26.61	12.31	9.81	5.61
<b>Total</b>	<b>723.00</b>	<b>753.40</b>	<b>602.21</b>	<b>474.91</b>	<b>343.42</b>	<b>266.56</b>

**Notes:**

- The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
- The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-X**  
**RESTATED STANDALONE STATEMENT OF OTHER EXPENSES**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
<b>a. Manufacturing &amp; Operating Cost</b>						
Consumption of Electric, Power and Fuel	98.22	103.09	99.72	81.12	49.44	45.61
Freight Inward	39.68	48.02	35.58	24.53	21.77	17.80
Machinery Repairs & Maintenance	23.27	36.23	14.85	10.96	7.56	9.69
Other Manufacturing & Operating Expenses	13.40	21.64	6.48	3.94	6.25	5.27
<b>Total (a)</b>	<b>174.56</b>	<b>208.96</b>	<b>156.63</b>	<b>120.55</b>	<b>85.01</b>	<b>78.36</b>
<b>b. Sales &amp; Distribution Expenses</b>						
Advertisement	49.52	18.21	49.99	141.50	31.43	34.99
Sales Promotion Expenses	323.16	423.97	462.38	369.75	298.16	247.94
Transportation & Loading Expenses	79.45	13.63	11.55	11.72	9.42	11.63
Bad Debts W/o.	0.97	-	0.23	1.29	-	0.58
Rates & Taxes	0.67	2.89	2.50	0.41	0.02	0.18
<b>Total (b)</b>	<b>453.77</b>	<b>458.70</b>	<b>526.66</b>	<b>524.67</b>	<b>339.03</b>	<b>295.32</b>
<b>c. General &amp; Administration Expenses</b>						
Rent	4.11	4.98	4.98	4.98	4.98	3.43
Rates & Taxes	7.90	4.31	3.51	2.84	2.54	0.59
Conveyance, Tour and Travelling Expenses	36.42	46.66	39.35	31.86	24.93	32.34
Legal & Professional Expenses	58.35	47.42	35.12	35.81	22.09	20.37
Insurance	24.52	38.17	29.46	9.87	6.24	4.77
Preliminary Expenses W/o.	-	-	-	-	-	-
Loss on Disposal of Fixed Assets	-	-	-	-	-	-
Loss on Sale of Shares	-	4.07	-	-	0.25	-
General Administration Expenses	129.56	233.20	132.73	104.10	75.87	60.21
<b>Total (c)</b>	<b>260.85</b>	<b>378.81</b>	<b>245.16</b>	<b>189.46</b>	<b>136.89</b>	<b>121.71</b>
<b>d. CSR Expenditure</b>	<b>4.04</b>	<b>28.44</b>	<b>28.87</b>	<b>1.30</b>	<b>-</b>	<b>-</b>



**Finecure Pharmaceuticals Limited**

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Total (a+b+c+d)	893.22	1,074.92	957.32	835.98	560.94	495.39

Notes:

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company.
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively

**ANNEXURE-Y**  
**RESTATED STANDALONE STATEMENT OF FINANCE COSTS**

(₹ in Lakhs)

Particulars	Nine Months Ended		For the Year Ended			
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Interest on Term Loans	4.01	6.58	0.02	0.38	0.82	0.77
Interest on Working Capital Facilities	2.76	2.42	0.88	5.31	2.40	2.95
Other Interest	7.28	6.30	5.06	0.49	1.93	0.05
Other Financial Charges	8.46	9.99	8.66	4.46	3.15	3.65
<b>Total</b>	<b>22.51</b>	<b>25.30</b>	<b>14.62</b>	<b>10.64</b>	<b>8.30</b>	<b>7.42</b>

**Notes:**

1. The figures disclosed above are based on the restated standalone summary statement of profit & loss of the Company
2. The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV respectively



**Finecure Pharmaceuticals Limited**

**ANNEXURE-Z**  
**RESTATED STANDALONE STATEMENT OF CONTINGENT LIABILITIES**

Particulars	(₹ in Lakhs)					
	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Guarantees given by bank on behalf of the Company	99.23	102.86	69.63	7.40	-	-
Total	99.23	102.86	69.63	7.40	-	-

Note:  
The above standalone statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, standalone cash flow statement, significant accounting policies and notes to restated standalone summary statements as appearing in Annexures I, II, III and IV

**ANNEXURE-AA**  
**RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTION**

(₹ in Lakhs)

**a) Names of the related parties with whom transactions were carried out during the years and description of relationship:**

Vikash Rajgarhia	-	Director (KMP) Director (KMP)
Vivek Rajgarhia	-	Director (KMP) Relative of Director
Vishal Rajgarhia	-	Relative of Director Relative of Director
Pooja Rajgarhia	-	Entity significantly influenced by
Priti Rajgarhia	-	directors Entity significantly influenced
Archana Rajgarhia	-	by directors Associate
Finecure Pharmaceuticals (Prop. Vikash Rajgarhia) 8 Global Medisciences Ltd.	-	Subsidiary Firm
Finebiotics Pharma Ltd.	-	
Finecure Medisciences	-	
(Previously known as Modern Door Devices)	-	

**1. Transactions with key management personnel**

(₹ in Lakhs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended			
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
<b>A Transaction During the Year</b>						
Directors' Remuneration						
	Vivek Rajgarhia	11.32	12.22	10.76	9.38	9.29
	Vikash Rajgarhia	0.48	-	-	-	-
	Vishal Rajgarhia	0.48	-	-	-	-
Rent						
	Vishal Rajgarhia	0.45	0.60	0.60	0.60	0.60
<b>B Closing Balance Dr/(Cr)</b>						
For Directors' Remuneration, Rent Payable						
	Vivek Rajgarhia	(1.09)	1.59	0.91	0.66	0.36
	Vikash Rajgarhia	(0.48)	-	-	-	-
	Vishal Rajgarhia	(1.13)	(0.20)	-	-	-

**Transaction with Relative of KMP (₹ in Lakhs)**

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended			
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
<b>A Transaction During the Year</b>						
Salary & Bonus						
	Pooja Rajgarhia	3.09	7.75	6.75	5.85	6.05
	Priti Rajgarhia	3.09	7.75	6.75	5.85	5.85
	Archana Rajgarhia	2.90	7.00	5.98	5.20	5.20
Rent						

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
			31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
			₹	₹	₹	₹	₹
	Pooja Rajgarhia		0.45	0.60	0.60	0.60	0.60
	Priti Rajgarhia		0.45	0.60	0.60	0.60	0.60
<b>B Closing Balance Dr/(Cr)</b>							
	For Salary, Bonus & Rent Payable						
	Pooja Rajgarhia		(0.65)	(0.20)	(0.51)	(0.38)	(0.01)
	Priti Rajgarhia		(0.65)	(0.20)	(0.93)	(0.80)	(0.07)
	Archana Rajgarhia		-	(0.42)	(0.53)	(0.23)	(0.18)

**ANNEXURE-AA**  
**RESTATED STANDALONE STATEMENT OF RELATED PARTY TRANSACTION**  
Transactions with Companies / Entities owned / significantly influenced by directors

(₹ in Lakhs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		₹	₹	₹	₹	₹	₹
<b>A Transaction During the Year</b>							
	Purchases (Incl. Taxes)						
	Finecure Pharmaceuticals	-	-	-	-	-	64.07
	Global Medisciences Ltd.	340.96	670.39	839.09	1,243.42	137.29	28.53
	Sales (Incl. Taxes)						
	Finecure Pharmaceuticals	-	-	-	-	-	-
	Global Medisciences Ltd.	391.31	361.19	233.18	168.26	103.99	178.26
	Trademark Royalty						
	Finecure Pharmaceuticals (Prop. Vikash Rajgarhia)	-	9.00	9.00	9.00	9.00	9.00
	Rent Expenses						
	Global Medisciences Ltd.	1.26	1.68	1.68	1.68	1.68	1.68
	Turnover Incentive						
	Global Medisciences Ltd.	-	-	-	-	-	10.70

**B Closing Balance Dr/(Cr)**

	Trade Receivables						
	Global Medisciences Ltd.	-	-	-	44.54	71.04	85.39
	Trade Payables / Advances from Customers						
	Finecure Pharmaceuticals (Prop. Vikash Rajgarhia) (Trademark Royalty)	-	-	(6.08)	-	-	-
	Global Medisciences Ltd.	(1.26)	-	(22.72)	(148.89)	-	-

**Transactions with Associate/Subsidiary Firm**

(₹ in Lakhs)

Sr. No	Nature of Transactions	Nine Months Ended	For the Year Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		₹	₹	₹	₹	₹	₹
<b>A Transaction During the Year</b>							
	Investments Made / (Sold)						
	Finebiotics Pharma Ltd.	190.61	(25.00)	(45.00)	115.43	30.00	140.29
	Modern Door Devises	300.90	-	196.33	-	-	-
<b>B Closing Balance Dr/(Cr)</b>							
For Investments Made							

Sr. No	Nature of Transactions	For the Year Ended				
		Nine Months Ended				
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14
		₹	₹	₹	₹	₹
	Finebiotics Pharma Ltd.	406.34	215.72	240.72	285.72	170.29
	Modern Door Devises	497.23	196.33	196.33	-	-

**ANNEXURE-AB**  
**RESTATED STANDALONE CAPITALISATION STATEMENT**

Particulars	(₹ in Lakhs)	
	Pre-Offer	Post-Offer *
	As on 31 Dec., 2017	
Debt		
Short Term Debt (Short Term Borrowings)	259.55	●
Long Term Debt (Long Term Borrowings)	109.15	●
Total Debt	368.69	●
Shareholders' Fund (Equity)		●
Share Capital	1,270.87	●
Reserves & Surplus	5,049.73	●
Less: Miscellaneous Expenses not w/off	-10.00	●
Total Shareholders' Fund (Equity)	6,310.60	●
Long Term Debt/Equity	0.02	●
Total Debt/Equity	0.06	●

(\*) The corresponding post offer figures are not determinable at this stage pending the completion of public offer and hence have not been furnished.

**Notes:**

- The Company issued 1,14,37,785 Equity Shares as fully paid up Bonus Shares in the ratio of 9:1 by capitalization of Reserves & Surplus and allotment done on 28th December, 2017
- Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
- The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.17

**ANNEXURE-AC**  
**RESTATED STANDALONE SUMMARY OF MANDATORY ACCOUNTING RATIOS**

(₹ In Lakhs unless otherwise stated)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Face Value per equity Share (Amt. in ₹)	10	10	10	10	10	10
(i) Earnings/ (losses) Per Share (Amt. in ₹)	8.51	10.83	8.59	5.66	3.49	3.28
- Basic and Diluted Earnings/ (losses) Per Share [a/b]						
(ii) Return on Net Worth (in %) [a/d]	17.14%	26.17%	27.99%	25.45%	20.82%	24.49%
(iii) Net Assets Value per Share (in ₹)						
- Restated Net Assets Value per Share (Amt. in ₹) [d/c]	49.66	413.73	306.95	222.55	167.50	134.09
- Restated Net Assets Value per Share (Adjusted for Bonus Shares ) (Amt. in ₹) [d/c1]	49.66	41.37	30.70	22.26	16.75	13.41
(a) Net profit available for appropriation (as restated)	1081.74	1376.12	1091.75	719.71	443.15	417.26
(b) Weighted average numbers of equity shares for calculating Basic and diluted EPS. (Adjusted for Bonus Shares)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
(c) No. of equity shares outstanding at the end of the year.						
(c1) No. of equity shares outstanding at the end of the year. (Adjusted for Bonus Shares)	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650	12,708,650
(d) Net Worth as at the end of the period/year (as restated)	6310.60	5257.98	3900.98	2828.35	2128.71	1704.15
(Refer Note 6 for details of bonus issue)						

Notes:

The above ratios are calculated as under:

Basic and Diluted Earning per Share =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$

Return on Net Worth(%) =  $\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$

Net Asset Value Per Equity Share =  $\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$

Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;



**Finecure Pharmaceuticals Limited**

Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

The figures disclosed above are based on the restated standalone financial information of the Company.

Basic and Diluted EPS for the period ended 31st December, 2017 are not annualized.

Bonus issue in the ratio of 9:1 by capitalization of Reserves & Surplus and allotment done on 28th December, 2017

**ANNEXURE-AD**  
**RESTATED STANDALONE STATEMENT OF TAX SHELTER**

(₹ in Lakhs)

Particulars	Nine Months Ended	For the Year Ended					
		31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
		₹	₹	₹	₹	₹	₹
Tax Computation as per normal tax provisions							
Restated Profit before tax	1,494.35	1,781.35	1,424.14	917.91	558.57	524.23	
MAT rate including surcharge	21.34%	21.34%	20.39%	20.01%	20.01%	20.01%	
Normal Tax rate including surcharge for Regular Income	34.61%	34.61%	33.06%	32.45%	32.45%	32.45%	
Normal Tax rate including surcharge for Short Term Capital Gain	17.30%	17.30%	16.53%	16.22%	16.22%	16.22%	
Normal Tax on above	517.17	616.49	470.86	297.82	181.23	170.09	
Adjustments:							
Add : Disallowables / Exempt Incomes							
Interest on Income Tax	7.24	6.18	4.98	0.49	1.93	-	
Interest on TDS / DDT	0.04	0.05	0.07	-	-	0.05	
Interest on EPF	-	0.07	-	-	-	-	
Depreciation as per Companies Act	92.64	106.36	95.34	54.79	88.73	84.65	
Club Fees	0.03	0.04	0.06	-	-	-	
Provision for Gratuity	2.00	7.54	4.37	4.25	3.03	7.69	
Interest on Professional Tax & Service Tax / GST	0.01	0.01	0.00	0.00	0.00	-	
Loss on Sale of Shares	-	4.07	-	-	0.25	-	
CSR Expenditure	4.04	28.44	28.87	1.30	-	-	
Late Payment of PF	-	-	-	-	-	-	
Donation debited in books of accounts	4.41	33.52	26.53	0.21	1.06	0.73	
ROC Fees for increase in authorized share capital	18.11	-	-	-	-	-	
Short Term Gain / (Loss) on sale of Investments (as per IT)	0.00	0.28	1.17	3.16	0.46	1.21	
Less : Allowables							
Depreciation as per Income Tax Act	(110.66)	(154.87)	(151.90)	(111.38)	(97.32)	(92.24)	
Dividend Income (Exempt)	(0.04)	(0.11)	(0.25)	(0.07)	(0.15)	(0.20)	
Donation allowable as per Income Tax Act	(2.36)	(16.53)	(13.27)	(0.11)	(0.53)	(0.13)	
Profit on Sale of Shares	(0.00)	-	(1.67)	(1.87)	-	(0.31)	
Other Adjustments:							
Deduction u/s. 80IC	-	(543.31)	(424.06)	(259.88)	(154.71)	(152.79)	
Deduction u/s. 80JJAA	-	(1.85)	-	-	-	-	
Total Adjustments	15.45	(530.11)	(429.75)	(309.12)	(157.25)	(151.33)	

Particulars	For the Year Ended					
	Nine Months Ended					
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
	₹	₹	₹	₹	₹	₹
Tax expense/(saving) thereon	5.35	(183.51)	(142.28)	(100.80)	(51.09)	(49.30)
Tax Payable as per Normal Provisions (A)	522.51	432.98	328.58	197.01	130.14	120.79
Tax Computation as per MAT provisions						
Restated Book Profit before tax	1,494.35	1,781.35	1,424.14	917.91	558.57	524.23
MAT Tax on Above	318.92	380.17	290.37	183.65	111.76	104.89
Add :						
Interest on TDS / DDT	0.04	0.05	0.07	-	-	0.05
Total Adjustments	0.04	0.05	0.07	-	-	0.05
Tax expense/(saving) thereon	0.01	0.01	0.02	-	-	0.01
Tax Payable as per MAT Provisions (B)	318.93	380.18	290.38	183.65	111.76	104.90
Gross Tax Payable (w.e.i. higher)	522.51	432.98	328.58	197.01	130.14	120.79



**Finecure Pharmaceuticals Limited**

**ANNEXURE-AE**  
**RESTATED STANDALONE STATEMENT OF DIVIDEND DECLARED**

(Amt. in ₹)

Particulars	Nine Months Ended	For the Year Ended				
	31/12/17	31/03/17	31/03/16	31/03/15	31/03/14	31/03/13
Class of Shares						
Equity Share of ₹ 10 each	10	10	10	10	10	10
Rate of Dividend (%)						
Interim Dividend	12.50%	Nil	Nil	Nil	Nil	Nil
Final Dividend	Nil	12.50%	12.50%	12.50%	12.50%	10%

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements as of and for the nine months ended December 31, 2017 and Fiscals ended March 31, 2017, March 31, 2016, and 2015 including the related notes, schedules and annexures. These restated consolidated financial statements are based on our audited consolidated financial statements and are restated in accordance with the SEBI ICDR Regulations. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IND (AS), IFRS and U.S. GAAP.*

*This discussion may contain forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "RiskFactors" included in this Draft Red Herring Prospectus.*

*Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month period ended March 31 of that year.*

### Overview

Our Company was incorporated in the year 2005 as a pharmaceutical company and is engaged in manufacturing and process development of pharmaceutical formulations in various therapeutic segments such as Anti-Infective, Gastro-intestinal, Anti-Inflammatory, Anti-Allergic, Anti-Asthmatics, Multi-Vitamins and Nutraceuticals etc. within the acute and chronic category of the Indian Pharmaceutical Market.

Our Company launched its "Neocardiabcare" division in the year 2014 and expanded its operations in chronic category to manufacturing of formulations under cardiovascular and anti-diabetics therapeutic segments.

Our manufacturing unit is an ISO 9001-2015, ISO 14001-2015, ISO 18001-2007 and ISO 22000-2005 certified manufacturing facility located at Shimla Pista, Kichha, Rudrapur, Udham Singh Nagar-263148, Uttarakhand for manufacturing of pharmaceutical formulations under acute and chronic categories. Our manufacturing facility has been recognized by Directorate General of Medical Health and Family Welfare, India for compliance with good manufacturing practices stipulated by World Health Organisation with respect to manufacturing and testing of our products. Our manufacturing facility has also obtained certifications in respect of compliance with good manufacturing practices from various overseas authorities such as Directorate General of Drug Pharmacy and Laboratories Ivory Coast, Director General of National Agency for Food and Drug Administration and Control (NAFDAC), Nigeria and Registrar Pharmacy and Poisons Board, Nairobi.

As part of our expansion strategy, we have acquired 9893.60 sq mt. land for setting up our new manufacturing facility located at Sanand II Industrial Estate, Sanand, Gujarat in order to further grow our scale of operation in relation to our Clavulanic based formulations and other existing range of products. We have obtained the necessary approvals for our building plans and the civil construction work is under progress.

We had also invested in M/s Finecure Medisciences (*Previously known as M/s Modern Door Devices*) to enhance our scale in manufacturing of ointments in derma, anti-fungal, and anti-inflammatory therapeutic products by establishing a new ointment manufacturing facility on the land and building held by the firm located at Plot no. 42, IIE, Pantnagar, Udham Singh Nagar, Sector-4 Uttarakhand. Our Company became a partner with 99.70% share in the profits and capital of the Partnership Firm vide a deed of partnership dated December 30, 2015.

Subsequently, the Partnership Firm was dissolved vide a deed of dissolution dated March 30, 2018 and all the movable and immovable assets of the firm including its proposed ointment unit was transferred to our Company. As on the date of the deed of dissolution, the civil work for the proposed ointment unit has been completed and installation of plant and machinery for the proposed ointment unit is in progress. For further details, please refer the section titled "*History and Certain Corporate Matters*" beginning on page 138.

Our Company has marked its presence in both domestic and global markets. In the domestic markets, we are majorly into the manufacturing, marketing and sale of formulations in the acute and chronic category of pharmaceutical products as well as into contract manufacturing for other pharmaceutical companies. In the global markets, we are into the manufacturing and sale of formulations and have our presence in Africa, Latin America and South East Asia.



## Finecure Pharmaceuticals Limited

Our domestic and international operations accounted for 74.24% and 25.76% and 87.99% and 12.01% of our revenues from sales of product for nine month period ended on December 31, 2017 and Fiscal Year 2017 respectively. Our restated consolidated and standalone net revenues from operations grew at a compounded annual growth rates (“CAGR”) of 32.62% in the period from fiscal year 2013 to fiscal year 2017.

Our company has received more than 70 product registrations in countries namely Nigeria, Kenya, Cambodia, Myanmar, Hong Kong, Turkmenistan, Afghanistan and Peru. We have also applied for more than 60 product registrations in 7 new markets such as Sudan, Liberia, Mozambique, Tajikistan, Kyrgyzstan, Uzbekistan and Botswana as well as in the existing markets such as Myanmar, Nigeria and Turkmenistan. The product registrations if granted will boost our exports and business operations. Our Company endeavors to grow further by continuing to file product registrations in new international markets to further expand our operations in the international markets.

We also manufacture Clavulanic based formulations such as Co-Amoxiclav, Cefixime-Clav and Cefpo-Clav on contract manufacturing basis. Our company mainly supplies Amoxicillin and Clavulanic Acid combination of drug under private label of our clients. Amoxy clav is used to treat infections caused by certain bacteria. Amoxicillin works by killing the bacteria that is causing the infection. Clavulanic acid helps make the amoxicillin more effective. This medication is most commonly used to treat infections of the sinus, ear, lung, skin, and bladder. This combination basically comes under ‘Anti-infective’ therapeutic area. Clavulanic based formulations are sensitive to moisture and temperature so it require low temperature of 23 degrees and low relative humidity of 20% RH to maintain throughout the manufacturing process. Our Manufacturing facility adheres to the aforesaid temperature and relative humidity levels.

Our Company has also ventured into marketing and distribution of injectables manufactured by our Associate Company i.e. Finebiotics Pharma Limited.

We generate significant demand for our products in India through field force of medical representatives employed by us and our distributors who also appoint their own medical representatives. The medical representatives promote our products amongst medical practitioners in various specialties as well as pharmacies and distributors to ensure that our brands are adequately stocked. Further to enhance our market presence and recognition, we get magazines printed for circulation in trade and amongst doctors periodically. We also advertise our brand and our products through media and participation in CMEs (Continuous Medical Education) and Conferences. We also market and sell our products through distributors based on distribution agreement for marketing and distributing our products across India and overseas. Our company is member of India Trade Promotion Organisation (ITPO), Pharmaceuticals Export Promotion Council (Pharmexcil) and actively participate in business delegation and trade fairs including overseas exhibitions to expand our international reach. Also we analyze market trend through market research data that keep us updated with respect to product portfolio and their target geographies.

Our promoters namely Mr. Vikash Rajgarhia, Mr. Vivek Rajgarhia and Mr. Vishal Rajgarhia who are also part of our Board of Directors have been associated with pharmaceuticals industry for over a decade. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our promoter, Mr. Vishal Rajgarhia is Doctor of Science (D.Sc) in the field of Management from KEISIE International University and has been recognised as "Most Impactful Healthcare Leader, 2017" from World Health & Wellness congress and CMO Asia, "Influential Leader of India 2017" for excellence in the Field of Business from ERTC, "Global Business Leadership Award" by World Peace and Diplomacy Organisation for best performance in the field of manufacturing Pharmaceutical Formulations (West India) and "Certificate of Leadership" by ASSOCHAM for remarkable contribution towards India's Pharma Awareness Drive in State of Gujarat 2016. Mr. Vishal Rajgarhia serves as Chairman, Pharma Council, ASSOCHAM Gujarat, Co-Chairman, ASSOCHAM National Council on Drugs and Pharmaceuticals and Confederation of Indian industry (CII), Gujarat Pharmaceutical Taskforce.

Our company has been awarded with "International Arch of Europe Award – Germany" for Quality & Technology in Gold Category in the year of 2012, "Assocham India Business Excellence Award 2013", "Asia's Most Promising Brand" validated by Consumers & Industry, "IPE Fastest Growing Pharma Company Award 2015", "Innovation in Process and Formulation development Award 2016" by CIMS " MEDCON - Pharma Company of the Year 2016 – (Operational Excellence) by Assocham, India, “Dream companies to work for Pharmaceuticals” by Times Ascent World HRD Congress and "SME Company of the year in 2018" by ET Now. For further details in relation to awards and recognitions of our company, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 138.

## Finecure Pharmaceuticals Limited

For the nine months period ended December 31, 2017 and for year ended on March 31, 2017 and March 31, 2016, our restated consolidated and standalone net revenue from operations was ₹ 8388.97 Lakhs, ₹ 9788.28 Lakhs, and ₹8780.59 Lakhs respectively. Our restated standalone profit after tax attributable to shareholders was ₹1081.74 Lakhs and ₹1376.12 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively.

Further, our restated consolidated profit after tax attributable to shareholders was ₹1083.29 Lakhs and ₹1369.03 Lakhs for the nine months period ended December 31, 2017 and Fiscal 2017 respectively. Our restated standalone and consolidated profit after tax attributable to shareholders has grown at a CAGR of 34.76% and 34.59% respectively between Fiscals 2013 and 2017 demonstrating our focus on sustainable profit growth over such period.

Our business operations can be broadly categorised into domestic and international operations: Our revenue from sale of goods from domestic and international market is as follows: -

Revenue from Sale of products*	Period Ended				Fiscal			
	December 31, 2017		2017		2016		2015	
	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products	₹ in Lakhs	% of Revenue from Sale of products
Domestic	6125.14	74.24	8570.95	87.99	7889.94	90.44	6242.83	95.85
Export	2125.44	25.76	1170.02	12.01	833.82	9.56	270.52	4.15
<b>Total</b>	<b>8250.58</b>	<b>100.00</b>	<b>9740.97</b>	<b>100.00</b>	<b>8723.76</b>	<b>100.00</b>	<b>6513.35</b>	<b>100.00</b>

\* the remainder of our revenue from operations is comprised of other operating income, which are not divided into domestic and international sales

## Significant Factors Affecting Our Results of Operations

### Sales revenue and quality of our products

The key growth driver for increases in our results of operations has been the growth in sales revenue from our products in India. Our revenue from operations depends on the volume of products, including tablets, capsules and sachets that we sell. Any change in the volume of products we sell affects our business, results of operations and financial condition.

In addition, in order to maximize our profits, we must maintain an appropriate standard of quality in our manufacturing facilities' equipment and processes. Attaining and maintaining this level of quality requires considerable expense and planning. If we are unable to achieve and preserve the necessary level of quality in our manufacturing processes and facilities in the future, our financial condition and results of operations may be adversely affected.

Further for contract manufacturing, we typically enter into contract manufacturing agreements with clients and will be responsible for any kind of quality related issues in the products till expiry. Returns of unsold, defective or expired products affect our results of operations and financial condition. A failure to meet quality standards of our customers will have an adverse effect on our business, financial condition and result of operations. For further details, please refer to the section titled "Risk Factors" beginning on page19 .

### Government and Other Regulatory Approvals

We have marked our presence in more than 10 countries in international markets. Our domestic and international pharmaceutical sales contributed 87.99% and 12.01%, respectively, of our revenue from sale of products for fiscal 2017 and 74.24% and 25.76%, respectively, of our revenue from operations for the nine month period ended December 31, 2017 (the remainder of our revenue from operations is comprised of other operating income, which are not divided into domestic and international sales).

We require various approvals, licenses, registrations and permissions for our business activities. As of December 31, 2017, we held over 70 product registrations and applied more than 60 product registration in various countries. In addition, our Company has also obtained company registration in Srilanka, Afghanistan and site registration in Cambodia.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing products. Our business, prospects, results of operations and financial condition could be adversely affected if we fail to obtain, or comply with applicable conditions that may be attached to, our approvals, licenses, registrations and permissions, in a timely manner or at all. To maintain income growth, we continue to file for approvals for our products with the respective overseas authorities. Any delay in the grant of approvals for our products, or any withdrawal of approval for existing products would adversely affect our results of operations. For further details, please refer to the section titled "*Risk Factors*" beginning on page 19.

### ***Pricing***

Our products are marketed in India as well as in international markets. In certain jurisdictions in which we operate, regulatory authorities have the ability to impose pricing controls that could apply to certain of our products. For example, in domestic markets pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and margins offered to trade. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs and subsequently the Department of Pharmaceuticals released the revised DPCO. Due to rising healthcare costs, there may be additional proposals by legislators and regulators to keep costs down in India. These limitations may affect our revenues and have an adverse effect on our business.

The prices of our products in international markets are determined largely by market forces and vary in each country. We seek to market our products in a manner that enables us to earn high margins for certain products. However, due to rising healthcare costs, there have been, and may continue to be, proposals by legislators and regulators to keep these costs down in the jurisdictions in which we operate. Such limitations could have an adverse effect on our results of operations. For further details, please refer to the section titled "*Risk Factors*" beginning on page 19.

### ***Production Costs***

Our ability to maintain our cost competitiveness is dependent on the efficient management of our production costs. The adequate availability of key raw materials at competitive prices is critical and price fluctuations may materially affect our results of operations.

Any disruption in the supply of our required raw materials or an inability to source raw materials at competitive prices, a significant increase in prices for these raw materials, changes in our salary costs or any setbacks in our planned or expected integration strategies with respect to our API and pharmaceutical formulation operations, could have a material effect on our financial condition and results of operations.

### ***Brand-building, Marketing and Promotional costs***

We aim to continue to focus on brand building and driving the growth of a focused set of our brands with high growth potential. We incur costs for the promotion and marketing of our products, primarily in India. We also advertise our brand and our products through media and participation in CMEs (Continuous Medical Education) and Conferences.

Additionally, we have strong sales, marketing and distribution capabilities in India. We generate significant demand for our products in India through field force of medical representatives employed by us and our distributors who also appoint their own medical representatives. The medical representatives promote our products amongst medical practitioners in various specialties as well as pharmacies and distributors. Our company is a member of India Trade Promotion Organisation (ITPO), Pharmaceuticals Export Promotion Council (Pharmexcil) and actively participate in business delegation and trade fairs including overseas exhibitions to expand our international reach.

### ***Industry competition and consolidation***

Our products face intense competition from products commercialized by our competitors in all our therapeutic areas. The increase or decrease of our market share in therapeutic areas on which we focus, changes in our, and our competitors, financial, manufacturing, marketing and other resources may affect our business, prospects, results of operations and financial condition. Our competitors may consolidate, and the strength of the combined companies could affect our competitive position in our business areas. Accordingly, our results of operations depend significantly on various factors such as the demand for our products in the markets we operate in, our ability to manage our growth strategy and expansion plans, including our ability to grow our exports and our ability to grow and manage our sales

and distribution network in India. For further details, please refer to the section titled "Risk Factor" chapter titled "Our Business" beginning on page of 19 and 110 respectively.

### Macroeconomic Factors

Macroeconomic factors, both in the Indian and international contexts, such as economic instability, political uncertainty, social upheavals or acts of God could influence our business and, as a result, our results of operations. In addition, fluctuations in interest rates, exchange rates and inflation could have an effect on certain key aspects of our operations, including on the costs of our raw materials, the prices at which we can sell our pharmaceutical products, our finance costs required to fund our operations and profit margins.

**Our Significant Accounting Policies:** Our significant accounting policies are described in the section titled "Financial Information" on page 173.

**Change in accounting policies in previous 3 (three) years:** Except as mentioned under section titled "Financial Information" on page 173, there has been no change in accounting policies in last three (3) years.

### Our Results of Operations

The following table sets out financial data from our restated consolidated statement of profit and loss for the nine months period ended December 31, 2017 and Fiscals 2017, 2016 and 2015, the components of which are also expressed as a percentage of total revenue for such fiscal periods:

(₹ In Lakhs)

Particulars	December 31, 2017		FY 2017		FY 2016		FY 2015	
	Amount (₹ In Lakhs)	Percent age of Total Income (%)	Amount (₹ In Lakhs)	Percenta ge of Total Income (%)	Amount (₹ In Lakhs)	Percent age of Total Income (%)	Amount (₹ In Lakhs)	Perce ntage of Total Income (%)
<b>Revenue:</b>								
Revenue from Sale of products	8,250.58	97.32	9,740.97	98.98	8,723.76	98.82	6,513.35	99.09
Other Operating Income	138.39	1.63	47.31	0.48	56.83	0.64	37.52	0.57
<b>Net Revenue from Operations</b>	<b>8388.97</b>	<b>98.95</b>	<b>9,788.28</b>	<b>99.47</b>	<b>8,780.59</b>	<b>99.46</b>	<b>6,550.86</b>	<b>99.66</b>
Other Income	88.74	1.05	52.59	0.53	47.76	0.54	22.37	0.34
<b>Total Revenue (A)</b>	<b>8,477.71</b>	<b>100.00</b>	<b>9,840.87</b>	<b>100.00</b>	<b>8,828.35</b>	<b>100.00</b>	<b>6,573.23</b>	<b>100.00</b>
<b>Expenses:</b>								
Cost of Materials & Stores Consumed	5254.14	61.98	6,290.47	63.92	5,781.05	65.48	4,338.93	66.01
Changes in Inventories of stock -in-trade	(2.14)	(0.03)	(190.93)	(1.94)	(46.34)	(0.52)	(59.92)	(0.91)
Employee Benefit Expenses	723.00	8.53	753.40	7.66	602.21	6.82	474.91	7.22
Other Expenses	893.22	10.54	1,074.92	10.92	957.90	10.85	835.98	12.72
<b>Total Expenses</b>	<b>6,868.21</b>	<b>81.01</b>	<b>7,927.86</b>	<b>80.56</b>	<b>7,294.83</b>	<b>82.63</b>	<b>5,589.90</b>	<b>85.04</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1609.50</b>	<b>18.99</b>	<b>1,913.01</b>	<b>19.44</b>	<b>1,533.52</b>	<b>17.37</b>	<b>983.34</b>	<b>14.96</b>
Finance Cost	22.51	0.27	25.30	0.26	14.62	0.17	10.64	0.16
Depreciation and Amortization Expenses	92.54	1.09	111.46	1.13	101.09	1.15	54.79	0.83
<b>Restated Profit before tax</b>	<b>1494.35</b>	<b>17.63</b>	<b>1,776.25</b>	<b>18.05</b>	<b>1,417.81</b>	<b>16.06</b>	<b>917.91</b>	<b>13.96</b>
<b>Tax Expense:</b>								
Current Tax	522.51	6.16	432.98	4.40	328.58	3.72	197.01	3.00
Tax adjustment of prior years	(0.05)	0.00	(0.17)	0.00	2.89	0.03	(2.54)	(0.04)
Deferred tax	6.57	0.08	16.22	0.16	17.30	0.20	16.98	0.26
MAT Credit Entitlement	(116.42)	(1.37)	(43.79)	(0.45)	(16.38)	(0.19)	(13.26)	(0.20)

Particulars	December 31, 2017		FY 2017		FY 2016		FY 2015	
	Amount (₹ In Lakhs)	Percent age of Total Income (%)	Amount (₹ In Lakhs)	Percenta ge of Total Income (%)	Amount (₹ In Lakhs)	Percen tage of Total Incom e (%)	Amount (₹ In Lakhs)	Perce ntage of Total Incom e (%)
<b>Net Current Tax Expenses</b>	<b>412.62</b>	<b>4.87</b>	<b>405.23</b>	<b>4.12</b>	<b>332.39</b>	<b>3.76</b>	<b>198.20</b>	<b>3.02</b>
<b>Restated Profit After Tax before share in profit / (loss) of associate and share of profit attributable to minority interest</b>	<b>1081.74</b>	<b>12.76</b>	<b>1,371.02</b>	<b>13.93</b>	<b>1,085.42</b>	<b>12.29</b>	<b>719.71</b>	<b>10.95</b>
Share of Profit/ loss from associates accounting for using equity method	1.56	0.02	(1.99)	(0.02)	(72.74)	(0.82)	-	0.00
Share in Profit / (Loss) of Partnership Firm (Subsidiary Firm) attributable to Minority Interest	-	0.00	(0.01)	0.00	(0.01)	0.00	-	0.00
<b>Restated profit/(loss) for the year attributable to the shareholders of the Company</b>	<b>1,083.29</b>	<b>12.78</b>	<b>1,369.03</b>	<b>13.91</b>	<b>1,012.68</b>	<b>11.47</b>	<b>719.71</b>	<b>10.95</b>

## Components of Income and Expenses

### Revenue

#### Revenue from operations:

Our operating income is substantially derived from the sale of our pharmaceutical formulations. Payment terms for our products vary with the terms and conditions agreed with various counterparties. Revenue from operations further comprises of domestic sales (including sales pursuant to contract manufacturing under the terms of agreements with our counterparties), export sales, other operating income such as development of dossiers, export incentives and other operating revenue.

Domestic gross sales are recorded net of discounts provided to customers in accordance with industry practice. Export incentives are incentives provided by the Government to encourage exports. These benefits may be availed in either cash or set-off against import duties. Benefit amounts that we choose to take in cash are accounted for.

#### Other Income:

Other income comprises of interest income on term deposits, dividend income from investment, foreign exchange gain, discount received and sale promotion charges recovered.

### Expenses:

Expenses consist of cost of materials consumed, changes in inventories of finished goods, work in progress and stock in trade, employee benefits expense and other expenses.

#### Cost of materials & stores consumed:

Cost of material consumed consists of opening stock, purchases during the year and closing stock. We utilize APIs, raw materials and packaging materials for manufacture of pharmaceutical products at our manufacturing facility at Rudrapur, Uttarakhand.

#### Changes in inventories of finished goods, work in progress and stock in trade:

Changes in inventories of finished goods, work in progress and stock in trade comprise net increases or decreases in inventory levels of finished goods, work in progress and stock in trade.

*Employee benefits expenses:*

Employee benefit expenses primarily consist of employee salaries, wages, bonus and contributions to provident and other statutory funds and staff welfare expenses.

*Other expenses:*

Other expenses include power and fuel expenses, freight inward, advertisement, sales promotion expenses, transportation & loading expenses, rent, rates & taxes, travelling and conveyance expenses, repairs and maintenance expenses, insurance, legal and professional expenses and general administration expenses among others.

*Finance cost:*

Our finance costs comprise interest expense on borrowings and other financial charges.

*Depreciation and amortization expenses:*

Tangible assets are depreciated and intangible assets are amortized over periods corresponding to their useful lives. Please refer to "Significant Accounting Policies- Depreciation" on page 187.

*Tax Expense:*

Tax expenses comprise current tax, tax adjustments of prior years, MAT Credit Entitlement and deferred tax. Current income tax is measured in amounts expected to be paid to the tax authorities in accordance with the applicable tax law in the relevant jurisdiction. Deferred income tax reflects the impact of timing differences between taxable income and accounting income over a given year.

**REVIEW OF NINE MONTHS PERIOD ENDED DECEMBER 31, 2017**

***Revenue:***

*Revenue from Operations:*

Our net revenue from operations was ₹8,388.97 Lakhs for the nine months ended December 31, 2017, comprising revenue from sale of products of ₹8,250.58 Lakhs and other operating income of ₹138.39 Lakhs. Revenue from operations further comprises of domestic sales (including sales pursuant to contract manufacturing under the terms of agreements with our counterparties), export sales, other operating income.

Our other operating income was ₹138.39 Lakhs for the nine months ended December 31, 2017 mainly comprising of export incentive income of ₹31.55 Lakhs, Freight packing and forwarding charges recovered of ₹82.61, Duty Drawback income of ₹ 8.76 Lakhs, dossier fee of ₹6.84 Lakhs and business support charges.

*Other Income:*

Our other income was ₹88.74 lakhs for the nine months ended December 31, 2017, primarily comprising interest income on term deposits, foreign exchange gain and discount received.

***Expenses:***

*Cost of materials & stores consumed:*

Our cost of materials consumed was ₹5254.14 Lakhs for the nine months ended December 31, 2017, primarily comprising payments for purchases of raw materials and packing materials, including APIs, for manufacture of pharmaceutical products at our Rudrapur Facility.

*Changes in inventories of finished goods, work in progress and stock in trade:*

Our changes in inventories of finished goods, work in progress and stock in trade was net decrease of ₹2.14 Lakhs for the nine months ended December 31, 2017.

*Employee Benefits Expenses:*

Our employee benefits expenses were ₹723 Lakhs which was 8.53% of our total revenue for the period of nine months ended December 31, 2017 and comprised of director's remuneration, salaries, wages, bonus contributions towards provident fund and state insurance and other employee benefits expenses etc.

*Other expenses:*

Other expenses were ₹893.22 Lakhs for the nine months ended December 31, 2017, primarily consisting of manufacturing and operating cost of ₹174.56 Lakhs comprising power & fuel expenses, freight inward, repair & maintenance expenses and other manufacturing and operating cost. Our sales and distribution expenses were ₹453.77 Lakhs consisting of transportation and loading expenses, advertisement and sales promotion expenses. Our general & administrative expenses stood at ₹260.85 Lakhs comprising rent, travel and conveyance expenses, legal & professional expenses, insurance and other general expenses.

*Finance Cost:*

Our finance cost was ₹22.51 Lakhs which is 0.27% of our total revenue for the period of nine months ended December 31, 2017. Our finance cost comprises interest on borrowings and other financial charges.

*Depreciation and amortization expenses:*

Our depreciation and amortization expense was ₹92.64 Lakhs for the nine months ended December 31, 2017, primarily in relation to equipment, plant and machinery at our Rudrapur, facility.

*Restated Profit before tax:*

Our restated profit before tax was ₹1494.35 Lakhs for the nine months ended December 31, 2017 which is 17.63% of our total revenue.

*Tax Expense:*

Our net tax expense was ₹412.62 Lakhs for the nine months ended December 31, 2017, primarily comprising a net current tax expense of ₹522.51 Lakhs and a deferred tax charge of ₹6.57 Lakhs, decreased by tax adjustment of prior years of ₹0.05 Lakhs and partially offset by a minimum alternate tax credit of ₹116.42 Lakhs.

*Restated Profit after tax before share in profit / (loss) of associate and share of profit attributable to minority interest:*

Our restated profit after tax for the nine months ended December 31, 2017 was ₹1081.74 Lakhs which is 12.76% of our total revenue.

*Share in profit/ loss of associate:*

Our share of profit from our Associate Company i.e. Finebiotics Pharma Limited was ₹1.56 Lakhs for the nine months ended December 31, 2017.

*Restated Profit after tax attributable to the shareholders of the Company:*

Our restated profit after tax for the nine months ended December 31, 2017 was ₹ 1083.29 Lakhs which is 12.78% of our total revenue.

**Financial Year 2017 Compared to Financial Year 2016**

***Revenue:***

*Revenue from Operations:*

As a result of the foregoing, our revenue from operations from the sales of products and other operating income

## **Finecure Pharmaceuticals Limited**

increased by 11.48% to ₹ 9788.28 Lakhs for the Fiscal Year 2017 from ₹ 8780.59 Lakhs for the Fiscal Year 2016. Our revenue from operations consisted of the sale of our products which increased by 11.66% to ₹9740.97 Lakhs for the Fiscal Year 2017 from ₹8723.76 Lakhs for the Fiscal Year 2016, primarily as a result of an increase in revenue from the sales of our products. Our net revenue from domestic operations increased by 8.63% to ₹8570.95 Lakhs from ₹ 7889.94 Lakhs in fiscal 2016. Our net revenue from international operations increased by 40.32%, to ₹ 1170.02 Lakhs from ₹ 833.82 Lakhs in fiscal 2016 which was primarily attributable to our increased presence in international markets and new product registrations.

Our other operating income decreased by 16.75% to ₹ 47.31 Lakhs in fiscal 2017 from ₹ 56.83 Lakhs in fiscal 2016. This decrease was primarily due to decrease in income from dossier fee, product cylinder processing charges, product permission charges and packing material charges which was partially set off by increase in duty drawback received on account of our international operations.

### ***Other Income:***

Our other income increased by 10.12% to ₹52.29 Lakhs for the Fiscal Year 2017 from ₹47.76 Lakhs for the Fiscal Year 2016. This increase was mainly due to increase in interest on term deposit, discount received and foreign exchange gains.

### ***Total Revenue:***

Total Revenue for the F.Y. 2017 stood at ₹9840.87 Lakhs whereas in F.Y. 2016 the same was ₹8828.35 Lakhs i.e. an increase of 11.47%.

### ***Expenses:***

#### ***Cost of materials & stores consumed:***

Cost of materials & stores consumed increased by 8.81% to 6290.47 Lakhs for Fiscal 2017 from ₹5781.05 Lakhs for Fiscal 2016, primarily on account of increased payments for purchases of raw materials and packing materials including APIs during the year, in line with increase in products manufactured by us.

#### ***Changes in inventories of finished goods, work in progress and stock in trade:***

There was a net increase in closing stock of finished goods, work in progress and stock in trade of ₹190.93 Lakhs for Fiscal 2017 as compared to a net increase in closing stock of finished goods, work in progress and stock in trade of ₹46.34 Lakhs for Fiscal 2016. Due to which the changes in inventories of finished goods, work in progress and stock in trade increased by 312.02%.

#### ***Employee Benefits Expenses:***

Our employee benefit expenses increased by 25.11% from ₹602.21 Lakhs for Fiscal 2016 to ₹753.40 Lakhs for Fiscal 2017, primarily as a result of increase in salary, wages, bonus by 26.75% from ₹55.10 Lakhs in Fiscal 2016 to ₹703.10 Lakhs in Fiscal 2017 and contribution to provident fund and other funds by 41.69% from ₹ 20.51 Lakhs in Fiscal 2016 to ₹29.06 Lakhs in Fiscal 2017 due to an increase in the number of our employees in line with the growth in our business.

#### ***Other expenses:***

Other expenses increased by 12.22% to ₹1074.94 Lakhs for Fiscal 2017 from ₹957.90 Lakhs for Fiscal 2016, primarily due to the following reasons:

First, our manufacturing expenses increased by 33.41% from ₹156.63 Lakhs in fiscal 2016 to ₹ 208.96 Lakhs in Fiscal 2017 due to increase in our scale of operations in relation to tablets, syrup and other pharmaceutical products.

General and administrative expenses increased by 54.15% to ₹ 378.81 Lakhs in fiscal 2017 from ₹245.74 Lakhs in fiscal 2016. This increase was primarily due to the growth and expansion of our business during this period which resulted in significant increases in insurance expenses, general administration expenses, conveyance and travelling expenses and legal and professional expenses.

## **Finecure Pharmaceuticals Limited**

However, the increase in manufacturing expenses and general and administrative expenses was partially set off by decrease in Selling and Distribution from ₹ 526.66 Lakhs in Fiscal 2016 to ₹ 458.70 Lakhs in Fiscal 2017, a decrease of 12.90%.

### *Finance Cost:*

Our finance costs increased to ₹25.30 Lakhs for Fiscal 2017 from ₹14.62 Lakhs for Fiscal 2016 due to loans availed in Fiscal 2017, an increase of 73.05%.

### *Depreciation and amortization expenses:*

Our depreciation and amortization expenses increased by 10.26% to ₹111.46 Lakhs for Fiscal 2017 from ₹101.09 Lakhs for Fiscal 2016 in relation to additional equipment and vehicles purchased during the year. Our depreciation and amortization expenses expressed as a percentage of our revenue from operations (gross) were 1.13% and 1.15% for Fiscals 2017 and 2016, respectively.

### *Restated Profit before tax:*

Our restated profit before tax increased by 25.28% to 1776.25 Lakhs for Fiscal 2017 from 1417.81 Lakhs for Fiscal 2016.

### *Tax Expense:*

Our net tax expense was 405.23 Lakhs for Fiscal 2017 primarily comprising of current tax expense of ₹432.98 Lakhs and a deferred tax charge of ₹16.22 Lakhs, decreased by tax adjustment of prior years of ₹0.17 Lakhs and partially offset by a minimum alternate tax credit of ₹43.79 Lakhs. Our tax expenses increased by 21.92%, mainly due to increase in profit before tax.

### *Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest:*

Our Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest increased by 26.31% to ₹1371.02 Lakhs for Fiscal 2017 from ₹1085.42 Lakhs in Fiscal 2016.

### *Restated Profit after tax attributable to the shareholders of the Company:*

Our restated profit attributable to the shareholders of the company increased by 35.19% to ₹1369.03 Lakhs for Fiscal 2017 from 1012.68 Lakhs for Fiscal 2016.

## **Financial Year 2016 Compared to Financial Year 2015**

### ***Revenue:***

#### *Revenue from Operations:*

Our revenue from operations increased by 34.04% to 8780.59 Lakhs for the Fiscal Year 2016 from 6550.86 Lakhs for the Fiscal Year 2015, primarily as a result of an increase in revenue from the sales of our products in our domestic market and increased revenues from the expansion of our operations in the international markets. Our revenue from operations consisted of sale of products, which increased by 33.94% to ₹ 8723.76 Lakhs for the Fiscal Year 2016 from ₹6513.35 Lakhs for the Fiscal Year 2015. Our net revenue from the sales of products in India increased by 26.38%, which was primarily attributable to volume growth. Our net revenue from the sale of products internationally grew by 208.23%, which was primarily attributable to our increased penetration in international markets.

Our other operating income increased by 51.48% from 37.52 Lakhs in fiscal 2015 to 56.83 Lakhs in fiscal 2016. This increase was primarily due to increase in income from dossier fee, duty drawback on exports, product cylinder processing charges, and packing material charges.

*Other Income:*

Our other income increased by 113.50% to 47.76 Lakhs for the Fiscal Year 2016 from ₹22.37 Lakhs for the Fiscal Year 2015. This was primarily due bank interest rate received on fixed deposits, price difference/discount received and foreign exchange gain.

*Total Revenue:*

Our total revenue for the F.Y. 2016 stood at ₹8828.35 Lakhs whereas in F.Y. 2015 the same was ₹ 6573.23 Lakhs i.e. an increase of 34.31%.

**Expenses:**

*Cost of materials & stores consumed:*

Cost of materials consumed increased by 33.24% to 5781.05 Lakhs for Fiscal 2016 from ₹4338.93 Lakhs for Fiscal 2015, primarily on account of increased payments for purchases of raw materials and packing materials including APIs during the year, due to increased raw material requirements at our Rudrapur Manufacturing Facility

*Changes in inventories of finished goods, work in progress and stock in trade:*

There was a net increase in the stock of finished goods, work in progress and stock in trade by ₹46.34 Lakhs for Fiscal 2016 as compared to a net increase in stock of finished goods, work in progress and stock in trade of by ₹59.92 Lakhs for Fiscal 2015, decreased by 22.66%. This decrease was primarily due to an increase in tablets, capsules and syrup manufactured by us in Fiscal 2016 and due to an increase in finished goods stock at our Rudrapur Manufacturing Facility.

*Employee Benefits Expenses:*

Our employee benefit expenses increased by 26.81% to 602.21 Lakhs for Fiscal 2016 from 474.91 Lakhs for Fiscal 2015, primarily as a result of an increase in salaries, wages and bonus paid to our employees to ₹555.10 Lakhs for Fiscal 2016 from ₹444.48 Lakhs for Fiscal 2015, an increase of 24.89%. This increase was primarily due to an increase in the number of our employees and in line with the growth in our business; an increase in contribution to provident funds, other funds and staff welfare expenses to 20.51 Lakhs and 26.61 Lakhs respectively for Fiscal 2016 from 18.11 Lakhs and 12.11 Lakhs for Fiscal 2015.

*Other expenses:*

Other expenses increased by 14.58% to ₹957.90 Lakhs for Fiscal 2016 from ₹835.98 Lakhs for Fiscal 2015, primarily due to the following reasons:

First, our manufacturing expenses increased by 29.93% from ₹120.55 Lakhs in fiscal 2015 to ₹ 156.63 Lakhs in Fiscal 2016 due to increase in our scale of operations in relation to tablets, capsules, syrup and other pharmaceutical products.

Second, our general and administrative expenses increased by 29.70% to ₹ 245.74 Lakhs in fiscal 2016 from ₹189.46 Lakhs in fiscal 2015. This increase was primarily due to the growth and expansion of our business during this period which resulted in significant increases in insurance expenses, general administration expenses, conveyance and travelling expenses and legal and professional expenses.

Third, our CSR expenditures increased to ₹28.87 Lakhs in Fiscal 2016 from ₹1.30 Lakhs in Fiscal 2015 primarily due to increase in expenses towards promoting healthcare, promoting education among women including setting up of women hostels.

*Finance Cost:*

Our finance costs increased to ₹14.62 Lakhs for Fiscal 2016 from ₹10.64 Lakhs for Fiscal 2015 due to increase in interest cost and other financial charges, an increase of 37.41%.

*Depreciation and amortization expenses:*

Our depreciation and amortization expenses increased by 84.52% to ₹101.09 Lakhs for Fiscal 2016 from ₹54.79 Lakhs for Fiscal 2015 in relation to addition in assets during the year. Our depreciation and amortization expenses expressed as a percentage of our revenue from operations (gross) were 1.15% and 0.83% for Fiscals 2016 and 2015 respectively.

*Restated Profit before tax:*

Our restated profit before tax increased by 54.46% to ₹1417.87 Lakhs for Fiscal 2016 from 917.91 Lakhs for Fiscal 2015.

*Tax Expense:*

Our net tax expense was 332.39 Lakhs for Fiscal 2016 primarily comprising of net current tax expense of ₹328.58 Lakhs and a deferred tax charge of ₹17.30 Lakhs, increased by tax adjustment of prior years of ₹2.89 Lakhs and minimum alternate tax credit of ₹16.38 Lakhs. Our tax expenses increased by 67.70%.

*Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest:*

Our Restated Profit after Tax before share in profit / (loss) of associate and share of profit attributable to minority interest increased by 50.81% to ₹1085.42 Lakhs for Fiscal 2016 from ₹719.71 Lakhs in Fiscal 2015.

*Restated Profit after tax attributable to the shareholders of the Company:*

Our restated profit attributable to the shareholders of the company increased by 40.71% to ₹1012.68 Lakhs for Fiscal 2017 from 719.71 Lakhs for Fiscal 2016.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

**Unusual or infrequent events or transactions:**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**Significant economic changes that materially affected or are likely to affect income from continuing operations:**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:**

Apart from the risks as disclosed under section titled "Risk Factors" beginning on page 19, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**Future changes in relationship between costs and revenues:**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by our suppliers.

**Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business.

**Seasonality of business**

Our business is not seasonal in nature.

**Dependence on a single or few suppliers**

Our top 10 suppliers accounted for 64.16% and 27.69% of our total purchase for period ended December 31, 2017 and fiscal 2017 respectively.

**Dependence on a single or few suppliers**

Our business is dependent on certain key suppliers, including distributors and retail chains. Our top 10 suppliers accounted for 64.16% and 43.61% of our total purchase for period ended December 31, 2017 and fiscal 2017 respectively. We do not have any long term contracts with our external suppliers and prices are typically negotiated for each purchase order. For further information, please refer to the section titled "*Risk factors*" beginning on page 19.

**Competitive conditions:**

Competitive conditions are as described under chapter titled "*Industry Overview*" and "*Our Business*" beginning on pages 99 and 110 respectively.

**Significant Developments Occurring after December 31, 2017:**

Except the following and as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. Our Company has acquired 11,50,000 shares in our Associate Company, Finebiotics Pharma Limited vide deed of transfer dated March 26, 2018 for a consideration of ₹115.00 Lakhs. Pursuant to the said transfer, holding of our Company in our Associate Company has increased from 38.85% to 48.85% of its issued and paid up capital.
2. M/s Finecure Medisciences (*Previously known as M/s Modern Door Devices*) has been dissolved vide the deed of dissolution dated March 30, 2018 pursuant to which all movable and immovable assets belonging to the Partnership Firm has been transferred to our Company against set off of our capital contribution in the Partnership Firm. Since the land over which the proposed ointment unit of the Partnership Firm is situated belongs to SIIDCUL, our Company shall initiate the process of obtaining necessary approvals from SIIDCUL to execute the transfer of the land in the name of our Company.

**STATEMENT OF FINANCIAL INDEBTEDNESS**
**To**
**The Board of Directors**
**FINECURE PHARMACEUTICALS LTD.**

612 to 615 Anand Mangal Complex III,

Nr. Parimal Garden,

Rajnagar Club Lane, Ellisbridge,

Ahmedabad, Gujarat, India, 380 006.

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Finecure Pharmaceuticals Limited**, and further explanations and information provided by the management of these Companies, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on **31<sup>st</sup> January, 2018** are mentioned below

**A. Secured Borrowings**
**(₹ In Lakhs)**

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
<b>From Banks</b>							
<b>Kotak Mahindra Bank Ltd.</b>	Working Capital (Cash Credit)	300.00	MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.30% p.a.	<b>Primary Security:</b> First charge on all present and future current and movable assets in cluding movable fixed assets. <b>Collateral Security:</b> Registered Equitable Mortgage of Office No. 306, Third Floor, "Third Eye-One", Commercial Complex, Nr. Panchvati Cross Roads, C. G. Road, Ahmedabad about 2730 Sq Ft. <b>Guarantee:</b> Personal Guarantee of Vikash Rajgarhia, Vivek Rajgarhia, Vishal Rajgarhia, Pooja Rajgarhia, Priti Rajgarhia and Archana Rajgarhia & Personal / Corporate Guarantee of Owners of the Property offered as Security / Mortgaged with the Bank	On Demand	NA	164.61



**Finecure Pharmaceuticals Limited**

**Finecure Pharmaceuticals Ltd.**

**Statement of Financial Indebtedness Cont.....  
(₹ In Lakhs)**

<b>Name of Lender</b>	<b>Purpose</b>	<b>Sanction Amount</b>	<b>Rate of interest</b>	<b>Securities offered</b>	<b>Re-payment</b>	<b>Moratorium</b>	<b>Outstanding amount</b>
<b>Standard Chartered Bank</b>	Term Loan (Office Building)	450.00	MCLR + Spread @ 0.45% i.e. Effective Interest Rate 9.90% p.a.	<b>Collateral Security:</b> Registered Equitable Mortgage of Office No. A-1401 (14th Floor), Mondeal Heights, Nr. Wide Angle Multiplex, S. G. Highway, Ahmedabad-380 051 admeasuirng about 10583 Sq Ft.	Repayable in 180 Monthly Installments of ₹ 4.81 Lakhs	Nil	46.05
<b>ICICI Bank Ltd.</b>	Term Loan (Resi. Building)	30.00	9.05% p.a.	<b>Collateral Security:</b> Registered Equitable Mortgage of Survey No. 281, Villa No. 91, Kings Villa, Vill: Adroda, Tal: Bavla, Ahmedabad	Repayable in 180 monthly installments 0.32 Lakhs	Nil	27.60
<b>Total</b>		<b>780.00</b>					

**B. Business Loans / Vehicle Loans From Banks & Financial Institutions**
**(₹ In Lakhs)**

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
Kotak Mahindra Prime Ltd.	Vehicle Loan	40.00	8.32%	Hypothecation of Vehicle financed	36 Monthly Installments	Nil	29.89

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Usance	Outstanding amount
<b>Kotak Mahindra Bank Ltd.</b>	Working Capital (Letters of Credit-LC)	Sub-Limit of Cash Credit (300.00)	MCLR + Spread @ 2.00% i.e. Effective Interest Rate 10.30% p.a.	<b>Primary Security:</b> First charge on all present and future current and movable assets including movable fixed assets.	<b>Tenor of LC</b> Maximum of 120 days from the date of sanction  <b>Tenor of BG</b> Maximum of 36 Months from the date of sanction	LC - Nil
	And Working Capital (Bank Guarantees-BG)			<b>Collateral Security:</b> Registered Equitable Mortgage of Office No. 306, Third Floor, "Third Eye-One", Commercial Complex, Nr. Panchvati Cross Roads, C. G. Road, Ahmedabad admeasuring about 2730 Sq Ft.  <b>Guarantee:</b> Personal Guarantee of Vikash Rajgarhia, Vivek Rajgarhia, Vishal Rajgarhia, Pooja Rajgarhia, Priti Rajgarhia and Archana Rajgarhia & Personal / Corporate Guarantee of Owners of the Property offered as Security / Mortgaged with the Bank		BG - 99.23

**Negative Covenants pertaining to all facilities**
**Kotak Mahindra Bank Ltd.**

- The Company has placed with the Bank, undated cheques amounting to ₹ 300 Lakhs in lieu of repayment of the borrowings and discharge of the liabilities in respect of the facilities sanctioned by the Bank.
- Undertake that the facilities granted by the Bank are not used for any other purpose than specified.
- To provide End Use certificate annually to that effect.
- Borrower to obtain prior permission of the Bank before raising further loans / availing any facilities from any other Bank or Institution against the assets offered as security for facilities sanctioned by the Bank.
- The Borrower shall keep the Bank informed of the happenings – any event likely to have a substantial effect on their stock, production, sales, profits, etc. and such changes in the senior management, labour problems, godown location, power cut, cases filed against the Borrower, happenings in the associate concern etc., along with the remedial measures proposed and also provide the details of any addition / deletion of associate / sister concern.
- Borrower to intimate the Bank at the time of raising any further loans / availing any facilities from any other Bank or Institution.
- Any change in the shareholding / directorship / partnership / ownership shall be undertaken with prior



**Finecure Pharmaceuticals Limited**

- permission of the Bank.
8. The Borrower shall not allow any payout by way of salary to directors / partners (other than professional directors) or by way of interest to other subordinated lenders or by way of dividend to shareholders in case of delay in repayment of any of the facilities availed by the Borrower from the Bank or any other Bank or Financial Institution.
  9. The Borrower shall open any new current account with any Bank only after obtaining NOC from Bank.
  10. No withdrawals of any Unsecured Loans from Directors / Promoters / Related Parties during the tenure of loans / facilities granted by the Bank.
  11. In case of discontinuation, by the borrower, of Bank Guarantee issued by the bank, the borrower shall place term deposit equivalent amount (100% of the Bank guarantee issued) with the bank for balance tenor of the bank guarantee.

**Standard Chartered Bank**

1. Foreclosure charges applicable in case of prepayment of facilities within 2 Years
2. Any change in investment in plant & machinery to be intimated to the Bank.

**ICICI Bank Ltd.**

1. Bank shall have the sole discretion to shred any post dated cheques including security post dated cheques that remain unbanked at the end of the loan tenure / change of repayment mode and the same shall not be returned to the Applicant.

Except as disclosed above, we hereby confirm that there are no other Credit Facilities availed by the Company.

Above certificate is issued at the request of '**Finecure Pharmaceuticals Limited**', on the basis of necessary information / explanation / documentation / clarification / certification, produced for our verification.

**For, SVK & ASSOCIATES**

**Chartered Accountants**

FRN: 118564W

**Shilpang V. Karia**

**Partner**

M. No. 102114

Place: Ahmedabad

Date : 1<sup>st</sup> March, 2018

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*The details of outstanding litigation or proceedings relating to our Company, our Associate Company, our Group Company, our Directors and our Promoters are described in this section in the manner as detailed below.*

*Except as disclosed below, there are no (i) criminal proceedings involving our Company, our Associate Company, our Group Company, our Directors and our Promoters, (ii) actions taken by regulatory or statutory authorities involving our Company, our Group Company, our Associate Company, our Directors and our Promoters, (iii) outstanding litigation, suits, or civil prosecutions, proceedings or tax liabilities against/by our Company, our Group Company, our Associate Company, our Directors and our Promoters that would have a material adverse effect on our business or the position of our Company, (iv) matters involving our Company, our Group Company, our Associate Company, our Directors and our Promoters for economic offences, (v) default and non-payment of statutory dues by our Company, (vi) inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years preceding the date of this Draft Red Herring Prospectus against our Company and/or our Group Company, our Associate Company, prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the last five years preceding the date of this Draft Red Herring Prospectus against our Company and/or our Group Company, our Associate Company (vii) instances of material frauds committed by or against our Company and (viii) all matters filed against our Company, our Group Company, our Associate Company which are in the nature of winding up petitions.*

*Further, except as stated below there are no defaults, non-payment of over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares, default in creation of full security as per terms of issue/other liabilities. Further, except as described below, there are no proceedings initiated or penalties imposed by any authorities against our Company, our Group Company, our Associate Company, our Promoters and our Directors and no adverse findings in respect of our Company, our Group Company, our Associate Company, our Promoters, our Directors, our Group Company and the persons/entities connected therewith, as regards compliance with securities laws.*

*Our Board, at its meeting held on January 16, 2018 has determined that the outstanding litigations involving our Company, our Group Company, our Associate Company, our Directors and our Promoters shall be considered material if (i) the aggregate amount involved in such individual litigation exceeds 1% of the profit after tax of the Company, as per the last audited financial statements, or (ii) Outstanding litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees. Further, dues owed by our Company to small scale undertakings and other creditors, exceeding 5% of the Company's total trade payables for the last audited financial statements ("**Material Creditors**") have been considered as material dues for the purposes of disclosure in this Draft Red Herring Prospectus.*

### CONTINGENT LIABILITIES

As of December 31, 2017, contingent liabilities disclosed in our Restated Consolidated Financial Statements aggregated ₹ 99.23 Lakhs. Set forth below are our contingent liabilities that had not been provided for as of December 31, 2017:

Nature of Contingent Liability	₹ in lakhs
Guarantees given by bank on behalf of the Company	99.23

**A. LITIGATION INVOLVING OUR COMPANY**

**I) Litigation against our Company:**

*a) Litigation Involving Criminal Laws: NIL*

*b) Litigation Involving Civil Laws:*

**1. Biochem Pharmaceutical Industries Limited v. Finecure Pharmaceutical Limited and Anr - Commercial Suit No. 334 of 2017**

Biochem Pharmaceutical Industries Ltd. ("**the Plaintiff**") has filed a Commercial Suit bearing No. 334 of 2017 (*Old Suit No. 61 of 2017*) before the Hon'ble Bombay High Court against Finecure Pharmaceuticals Limited and another company named Apex Formulations Private Limited ("**Defendant No. 2**") on allegations of infringement of the Plaintiff's trademark "Apilox". Our Company has by its letter dated March 29, 2017 requested the Learned Prothonotary and Senior Master that our Company are not the registered owners of the drug "Apilox-CV 625" and are mere manufacturers of the said drug for the Defendant No. 2. Our Company has relied on the agreement dated July 9, 2013 entered into between our Company and Defendant No. 2, whereunder it has been agreed in express terms that the Brand/names, Trade names belongs to the Defendant No. 2 and the Defendant No. 2 shall be responsible for the trademarks adopted by it including for infringement thereof. Our Company has requested the Learned Prothonotary and Senior Master to have the name of our Company dropped due to misjoinder of our Company's name as party to the Suit. However, as our Company's response was filed in the form of a letter and not in the form of a written statement, the Learned Prothonotary and Senior Master has by his order dated October 10, 2017 transferred the suit to the list of undefended suits. The suit is pending further proceedings, hearing and final disposal.

**2. Biochem Pharmaceutical Industries Limited v. Ronak Life Care Private Limited - Suit No. 525 of 2016**

Biochem Pharmaceutical Industries Ltd. ("**the Plaintiff**") has filed a Commercial Suit bearing No. 525 of 2016 (*Old Suit No. 544 of 2016*) before the Hon'ble Bombay High Court against a company named Ronak Life Care Private Limited ("**Defendant No. 1**") and our Company ("**Defendant No. 2**") on allegations of infringement of the Plaintiff's trademark "Penclav". Our Company has by its letter dated March 24, 2017 requested the Learned Prothonotary and Senior Master that our Company is not the registered owners of the drug "Peniclav 625" and is mere manufacturers of the said drug for the Defendant No. 1. Our Company has requested the Learned Prothonotary and Senior Master to have the name of our Company dropped due to misjoinder of our Company's name as party to the Suit. However, as our Company's response was filed in the form of a letter and not in the form of a written statement, the Learned Prothonotary and Senior Master has by his order dated May 3, 2017 transferred the suit to the list of undefended suits. The suit is pending further proceedings, hearing and final disposal.

**3. Cadila Healthcare Limited v. Finecure Pharmaceuticals Limited – Trademark Suit No. 16 of 2014**

Cadila Healthcare Ltd. (the "**Plaintiff**") has filed a Suit bearing No. 16 of 2014 before the District Judge, Ahmedabad against the Company for infringement of the Plaintiff's trademark. The Plaintiff has contended that our Company's trademark 'Pantokool' is identical and / or is a colourable imitation and/or deceptively similar to the Plaintiff's registered trademark "Pantodac" and hence the Defendant's trademark is bound to deceive and/or cause confusion and affect the Plaintiff's reputation. Our Company has denied the allegations of the Plaintiff and has rebutted the claims of the Plaintiff by filing its written statement before the Court. The matter is pending for hearing and final disposal before the Hon'ble Court.

**4. Blue Cross Laboratories Ltd. v. RB Remedies Private Limited & Another-I Suit relating to Intellectual Property No. 231 of 2015**

Blue Cross Laboratories Ltd. (the "**Plaintiff**") has filed a suit relating to Intellectual Property bearing No. 231 of 2015 before the Hon'ble High Court of Bombay against RB Remedies Private Limited and our Company for infringement of the Plaintiff's trademark "CEDON". Our Company is the Defendant No. 2 to the suit. The Plaintiff has contended that the mark "CEFDON" used by the Defendant No. 1 is identical and/or deceptively similar to the Plaintiff's registered trademark "CEDON". The Plaintiff had filed a notice of motion bearing no. 2838 of 2014 before the Hon'ble High Court seeking urgent interim relief against the Defendants. While the

## **Finecure Pharmaceuticals Limited**

Plaintiff has served a summons to answer the Plaint at the address at which our factory is located, the copy of original Plaint has not been served upon us till date. Based on our independent search from the website of Bombay High Court, we understand that the Hon'ble High Court by its order dated January 27, 2015 has allowed the notice of motion and granted the interim relief as prayed for in favour of the Plaintiff. Our Company has not filed its written statement and accordingly the Learned Prothonotary and Senior Master, Bombay High Court has subsequently by its order dated July 25, 2016 transferred the suit to the list of Undeferred Suits qua the Defendant No. 2. The Suit is pending hearing and final disposal before the Hon'ble Court.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

## **II) Litigation by our Company:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws:*

1. *M/s Finecure Pharmaceuticals and Finecure Pharmaceuticals Limited v. Fine Cure Pharma (Suit No. 2013 of 2015)*

Our Company has filed a Suit bearing No. 2013 of 2015 in the Honourable City Civil Court of Ahmedabad against 'Fine Cure Pharma', a proprietorship firm of Ms. Suman Yadev (the "**Defendant**") for infringement of the trademark 'Finecure' by the Defendant which is owned and registered in the name of our Company. The Plaintiff has by way of a notice of motion in the above suit sought ad-interim relief to the effect that the Defendant, their successors, servants, agents, dealers, and distributors be restrained by an order of temporary injunction from using, manufacturing and marketing the product under the trade name / trademark 'Finecure' or 'Fine Cure Pharma' since it was identical and deceptively similar to that of the trademark owned and registered in the name of our Company. The defendant has subsequently changed its name from 'Fine Cure Pharma' to 'M/s. Arpit Pharma Chem' on September 8, 2015 and the notice of motion being infructuous was disposed off by the Hon'ble Court accordingly by its order dated September 23, 2015. As per the case status obtained online, we understand that the concerned court is vacant. The cause of action under the above suit has become infructuous subsequent to the change of name of the Defendant and the suit is pending for final disposal before the Hon'ble Court.

2. *M/s Finecure Pharmaceuticals and Finecure Pharmaceuticals Limited v. Finecure Chemicals Private Limited (Suit No. 2014 of 2015)*

Our Company has filed a Suit bearing No. 2014 of 2015 in the Honourable City Civil Court of Ahmedabad against Finecure Chemicals Private Limited, a company incorporated under the Indian Companies Act, 1956 (the "**Defendant**") for infringement of the trademark 'Finecure' by the Defendant which is owned and registered in the name of our Company. The Plaintiff has by way of a notice of motion in the above suit sought ad-interim relief to the effect that the Defendant, their successors, servants, agents, dealers, and distributors be restrained by an order of temporary injunction from using, manufacturing and marketing the product under the trade name / trademark 'Finecure' or 'Finecure Chemicals Private Limited' since it was identical and deceptively similar to that of the trademark owned and registered in the name of our Company. The Hon'ble Court has by its order dated May 9, 2016 granted interim relief as prayed for by our Company in the Notice of Motion against the Defendant. The suit is pending before the Hon'ble Court for further proceedings and final disposal.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**B. LITIGATION INVOLVING OUR DIRECTORS**

**I) Litigation against our Directors:**

*a) Litigation Involving Criminal Laws: NIL*

*b) Litigation Involving Civil Laws:*

**1. *Aristo Pharmaceuticals Private Limited v. M/s. Finecure Pharmaceuticals – Commercial Suit No. 8 of 2007***

Aristo Pharmaceuticals Private Limited ("Plaintiff") has filed a Commercial Suit bearing No. 8 of 2007 (Old Suit No. 1176 of 2007) against M/s. Finecure Pharmaceuticals, the sole proprietorship firm of our director Mr. Vikash Rajgarhia for alleged infringement of trademark of the Plaintiff by the Defendant. The Plaintiff has alleged that the Defendant's mark "OFLEX" is deceptively similar to the trademark of the Plaintiff "OFLER" and therefore infringes upon the Plaintiff's registered trademark and is in violation of the Trademarks Act, 1999. The Plaintiff has also filed a notice of motion bearing No. 1842 of 2007 seeking urgent ad-interim reliefs against the Defendant. However the same was rejected by the Hon'ble Court by its order dated June 22, 2007 and the Notice of Motion was dismissed by the Hon'ble Court by its order dated August 21, 2009. The Court Commissioner has been appointed to conduct the cross examination of the parties and for filing of evidences by both the parties. The matter is at the cross examination stage and is pending hearing and final disposal.

*c) Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

*d) Other Material Pending Litigations: NIL*

**II) Litigation by our Directors:**

*a) Litigation Involving Criminal Laws: NIL*

*b) Litigation Involving Civil Laws:*

**1. *Mr. Vikash Rajgarhia and Another v. Aristo Pharmaceuticals Private Limited – Suit No. 1630 of 2007***

Our Director Mr. Vikash Rajgarhia on behalf of his proprietorship firm M/s. Finecure Pharmaceuticals alongwith one of our Group company Global Medisciences Limited ("**Plaintiffs**") has filed a suit bearing No. 1630 of 2007 before the Honourable City Civil Court of Ahmedabad against a company named Aristo Pharmaceuticals Private Limited (the "**Defendant**") for infringement of the trademark "PROFINE" which is owned and registered in the name of the Plaintiffs. The Plaintiffs have claimed that the trademark "PROFINE" being registered under class 5 for pharmaceutical and medical preparation in favour of the Plaintiff, the use of the same by the Defendant is malafide, fraudulent and in violation of Section 29 of the Trademarks Act, 1999. The Plaintiff has prayed for an order directing the Defendant, their men, agents servants, distributors, stockiest, dealers etc by an order of permanent injunction to permanently restrain from manufacturing, marketing, using the trade name "PROFINE" and/ or any other name containing the word "PROFINE" and to disclose true and correct accounts of manufacturing, selling and carrying out business under the trademark 'PROFINE' and / or any name bearing the word 'PROFINE' or anything identical or deceptively similar name. The Plaintiffs have also prayed for an order directing the Defendant to pay an amount equivalent to the amount of the profits earned by the Defendant by using the tradename "PROFINE" along with an interest at the rate of 18% per annum from the date of the filing of the suit till realization. The matter is pending for hearing and final disposal of the injunction application and the suit before the Court.

**2. *M/s Finecure Pharmaceuticals and Finecure Pharmaceuticals Limited v. Fine Cure Pharma (Suit No. 2013 of 2015)***

Our Director Mr. Vikash Haremurari Rajgarhia on behalf of his proprietorship firm M/s. Finecure Pharmaceuticals alongwith our Company has filed this suit. For further details in relation to the said matter, please refer to the section "*Litigations by our Company*" in this chapter

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**C. LITIGATION INVOLVING OUR PROMOTERS:**

**I) Litigation against our Promoters:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws:*

1. *Aristo Pharmaceuticals Private Limited Versus M/s. Finecure Pharmaceuticals – Commercial Suit No. 8 of 2007*

For further details in relation to the said matter, please refer to the section "Litigations against our Directors" in this chapter.

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Promoters:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws:*

2. *Mr. Vikash Rajgarhia and Another Versus. Aristo Pharmaceuticals Private Limited – Suit No. 1630 of 2007*

For further details in relation to the said matter, please refer to the section "Litigations by our Directors" in this chapter.

3. *M/s Finecure Pharmaceuticals and Finecure Pharmaceuticals Limited v. Fine Cure Pharma (Suit No. 2013 of 2015)*

For further details in relation to the said matter, please refer to the section "Litigations by our Company" in this chapter

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations*

**D. LITIGATION INVOLVING OUR ASSOCIATE AND GROUP COMPANY**

**I) Litigation against our Associate and Group Company:**

a) *Litigation Involving Criminal Laws: NIL*

b) *Litigation Involving Civil Laws: NIL*

c) *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL*

d) *Other Material Pending Litigations: NIL*

**II) Litigation by our Associate and Group Company:**
**a) *Litigation Involving Criminal Laws:***
**b) *Litigation Involving Civil Laws:***
**4. *Mr. Vikash Rajgarhia and Another Versus. Aristo Pharmaceuticals Private Limited – Suit No. 1630 of 2007***

Our Group Company i.e. Global Medisciences Limited alongwith one of our Director Mr. Vikash Rajgarhia on behalf of his proprietorship firm M/s. Finecure Pharmaceuticals has filed the said suit. For further details in relation to the said matter, please refer to the section "*Litigations by our Directors*" in this chapter.

**1. *Litigation Involving Actions by Statutory/Regulatory Authorities: NIL***
**2. *Other Material Pending Litigations: NIL***
**E. OUTSTANDING TAX DEMAND**

The details of the amount of the outstanding tax demands payable by our Company, our Directors, our Promoters and our Associate and Group Company as on the date of filing of this Draft Red Herring Prospectus as summarized as below:

**I) DIRECT TAX**

Nature of Cases	No. of outstanding cases	Amount to the extent quantifiable (in ₹ Lakhs)
<b>Intimations issued against our Company:</b>		
Income Tax	1	1.30
TDS	7	0.35
<b>Total</b>	<b>8</b>	<b>1.65</b>
<b>Intimations issued against our Group Company(Global Medisciences Limited):</b>		
Income Tax	1	0.00*
TDS	4	0.19
<b>Total</b>	<b>5</b>	<b>0.19</b>

*Note: \*Our Group Company i.e. Global Medisciences Limited has an outstanding income tax demand of ₹ 240 as on the date of filing this DRHP.*

**II) INDIRECT TAX - NIL**
**F. OUTSTANDING DUES TO CREDITORS OF OUR COMPANY**

Our Board has, pursuant to its resolution dated January 16, 2018, approved that the dues owed by the Company to the small scale undertakings and other creditors exceeding 5% of the company's trade payables for the last audited financials shall be considered as material dues for the company. As of December 31, 2017, our Company, in its ordinary course of business, has an aggregate amount of ₹ 1491.90 Lakhs, which is due towards sundry and other creditors. As of December 31, 2017, outstanding dues to small scale undertakings ("SSI") or a Micro Small and Medium Enterprises ("MSME") and material creditors are as follows:

Material Creditors	Number of cases	Amount involved (₹ in lakh)
Small Undertakings	14	2.63
Other Material Creditors (Amount exceeding ₹74.60 Lakhs)	5	799.27



**Finecure Pharmaceuticals Limited**

The details pertaining to amounts due towards material creditors are available on the website of our Company at the following link: [www.finecurepharma.com](http://www.finecurepharma.com)

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.finecurepharma.com](http://www.finecurepharma.com), would be doing so at their own risk.

**G. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Except as disclosed in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 327, in the opinion of our Board, there have not arisen, since December 31, 2017, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Offer or continue our business activities. In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Offer or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The objects clause of the respective memoranda of association enables our Company to undertake their respective present business activities*

### **Approvals for the Offer**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 28, 2017 authorized the Offer, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on January 29, 2018, authorized the Offer.
3. In-principle approval dated [●] from the EMERGE Platform of NSE for listing of the Equity Shares issued by our Company pursuant to the Offer.
4. Our Company's international Securities Identification Number ("ISIN") is INE020Z01017.

### **Incorporation details of our Company**

1. Certificate of Incorporation issued by the Assistant Registrar of Companies, Gujarat at Dadra & Nagar Haveli, in the name of "Finecure Pharmaceuticals Limited" dated March 18, 2005.
2. Certificate of Commencement of Business dated issued by Deputy Registrar of Companies, Gujarat to our Company dated April 12, 2005.
3. The Corporate Identity Number (CIN) of our Company is U24230GJ2005PLC045724.

## **I. APPROVALS RELATED TO OUR COMPANY**

### **A. General Approvals**

1. Our Company has obtained the Udhog Aadhar Memorandum bearing number GJ01B0038561 under The Micro, Small and Medium Enterprise Developments Act, 2006 issued by the Ministry of Micro, Small & Medium Enterprises dated December 26, 2016.
2. Certificate of Registration cum Membership bearing no. PXL/SSM/I/4709 with the Pharmaceuticals Export Promotion Council dated August 29, 2008. This certificate was renewed by the Company on May 1, 2017 and is valid till March 31, 2018.
3. Certificate of Renewal of Membership No. AM-21627/30 issued by General Manager, Trade Information Relations & Policy Devison, Indian Trade Promotion Organisation and is valid till April 30, 2018.

**B. Tax Related Approvals**

1. The Permanent Account Number (PAN) of our Company is AAACF9157A issued by the Income Tax Department, Government of India dated March 18, 2005.
2. The Tax Deduction Account Number of our Company is AHMF00358B issued by the Income Tax Department, Government of India dated September 20, 2005.
3. The GST Registration Number of our Company is 24AAACF9157A1ZZ issued by the Government of India dated September 5, 2017.
4. The Professional Tax Registration Number of our Company is PEC015072967 and PRC015070555\*.
5. The Employee State Insurance Code number of our Company is 61000049090000305\*.

*\*Our company is unable to trace the professional tax certificates and ESIC certificate; the registration numbers are obtained from the challan.*

**C. Labour Approvals**

1. Certificate of Registration with the Employees' Provident Fund Organization bearing no. GJ/AHD/54687 issued by the Regional Office, Ministry of Labour dated December 03, 2008 and effective from November 01, 2008.

**D. Foreign Trade Approvals**

1. Certificate of Importer-Exporter Code bearing IEC No. 0806018437 issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry dated March 2, 2007.
2. Certificate of Recognition as One Star Export House bearing no.080117000054 issued by Director General of Foreign Trade, Ministry of Commerce and Industry dated April 21, 2017, effective from March 4, 2017 and valid till March 3, 2022

**E. ISO Registrations**

1. Certificate of Registration under ISO 9001:2015 for Quality Management bearing certificate no. GUJ/Q-1475/C2 in respect of the scope "Manufacture and Export of Pharmaceutical Formulations, Nutraceutical, Dietary Supplement and related products in form of Tablets, Capsules, Softgel Capsules, Syrup, Orals, Powders, Injection and other Dosage Forms" dated August 2, 2016 issued by Nimbus Certifications Private Limited, valid up to August 1, 2019.
2. Certificate of Registration under ISO 14001:2015 for Environmental Management bearing certificate no. GUJ/E-1476/C2 in respect of the scope "Manufacture and Export of Pharmaceutical Formulations, Nutraceutical, Dietary Supplement and related products in form of Tablets, Capsules, Softgel Capsules, Syrup, Orals, Powders, Injection and other Dosage Forms" dated August 2, 2016 issued by Nimbus Certifications Private Limited, valid up to August 1, 2019.
3. Certificate of Registration under ISO 18001:2007 for Occupational Health and Safety Management bearing certificate no. GUJ/O-1477/C2 in respect of the scope "Manufacture and Export of Pharmaceutical Formulations, Nutraceutical, Dietary Supplement and related products in form of Tablets, Capsules, Softgel Capsules, Syrup, Orals, Powders, Injection and other Dosage Forms" dated August 2, 2016 issued by Nimbus Certifications Private Limited, valid up to August 1, 2019.
4. Certificate of Registration under ISO 22000:2005 for Food Safety Management System bearing certificate no. GUJ/F-1478/C2 in respect of the scope "Manufacture and Export of Pharmaceutical Formulations, Nutraceutical, Dietary Supplement and related products in form of Tablets, Capsules, Softgel Capsules, Syrup, Orals, Powders, Injection and other Dosage Forms" dated August 2, 2016 issued by Nimbus Certifications Private Limited, valid up to August 1, 2019.

## II. APPROVALS RELATED TO OUR FACILITIES

As on the date of this Draft Red Herring Prospectus, we have one fully operational manufacturing facility located at Shimla Pista, Kichha, Rudrapur, Udham Singh Nagar, Uttarakhand. We are in the process of setting up our second manufacturing facility in Sanand, Gujarat. For further details of our manufacturing facilities, please refer to the chapter titled *"Our Business"* beginning on page 110.

Various approvals, licenses and registrations under several central or state-level acts, rules and regulations are required to operate our manufacturing facilities and to run our business. We have received the following Government and other approvals pertaining to our facilities:

### A. Approval for Rudrapur, Uttarakhand Facility (Rudrapur Unit)

S. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
<b>General Approvals</b>					
1.	License to work a factory under Rules 7(1) of Factories Act, 1948	Director of Factories	U.S.N.-1070	May 17, 2007	December 31, 2018
2.	Acknowledgement to Memorandum for Manufacturing under the Micro, Small and Medium Enterprises Development Act, 2006	General Manager, District Industry Center, Udham Singh Nagar	050120000347	June 18, 2008	Valid till cancelled
3.	Certificate of license to manufacture for sale of drugs other than those specified in schedule C, C(1) and X Drugs & Cosmetic Rules 1945-Form 25	Drug Licensing Authority (Mfg/Sale)	31/UA/2007	March 28, 2017	March 27, 2022
4.	Certificate of license to manufacture for sale of drugs specified in schedule C, C(1) other than those specified in schedule X to Drugs & Cosmetic Rules 1945-Form 28	Drug Licensing Authority (Mfg/Sale)	34/UA/SC/P-2007	March 28, 2017	March 27, 2022
5.	Certificate of registration under Legal Metrology Act, 2009	Legal Metrology Officer	-	June 9, 2017	-
6.	License under Food Safety and Standards Act, 2006	State licensing Authority	12617012000129	June 24, 2017	June 23, 2018
7.	Fire NOC	Chief Fire fighting Officer, Udham Singh Nagar	03/FS/11	November 16, 2017 effective from November 08, 2017	November 07, 2018
8.	Approval for conversion of Land for industrial use	District Officer, Rudrapur	22/240	September 27, 2005	Valid till cancelled
9.	Certificate Of Goods Manufacturing Practices, Drug Licensing cum	Directorate General of Medical Health	Certificate 17P/1/25/2007	no: May 26, 2017	May 25, 2019

S. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
	Controlling Authority, Uttarakhand	& Family Welfare, Sahastradhara Road, Dehradun, Uttarakhand			

**Environment Approvals**

10.	Renewal of consent under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under rule 3(c) & 5(5) of the Hazardous Waste (Management, Handling and Trans boundary Movement) Rules' 2008	Uttarakhand Environment Protection & Pollution Control Board	AWH-17553	May 09,2017	March 31, 2020
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**Tax Approvals**

11.	GST License	Government of India	05AAACF9157A1ZZ	July 01, 2017	Valid till cancelled
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**Labour Approvals**

12.	Employee State Insurance Code number under the Employee State Insurance Act, 1948.	Deputy Director, Employee' State Insurance Corporation	61-4909-34/KH	June 10,2009	Valid till cancelled
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**B. Approval for Sanand, Gujarat Facility (Facility II)**

Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Offer cum Allotment Letter- Sanand Plot	Divisional Manager (N.G.) GIDC, Ahmedabad	GIDC/DM/ABD/ALT/1576	November 28, 2016	-
2.	Approval of Proposed factory Building Plan – Sanand - II, Industrial Unit	Offie of the Executive Engineer, GIDC, Ahmedabad	GIDC/ENG/XEN/ABD/P B-II/PLAN/SANAND-II/1665	June 3, 2017	-

**III. COUNTRY SPECIFIC REGISTRATION**

Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Pharmaceuticals Manufacturer Registration License	Director General for Health, Cambodia	066PM-14	May 20, 2014	May 20, 2019
2.	Certificate Registration	of Director-Medical Technology & Supplies (Drug Regulatory Authority), Ministry of Health, Sri Lanka	MT5/CP/P6/2014	May 17, 2014	May 16, 2019
3.	Certificate of Foreign Pharmaceutical Manufacturing Company Registration	National Medicines and Healthcare Products Regulatory Authority	0034	September 28, 2016	-

**IV. COUNTRY-WISE PRODUCT REGISTRATION**

Sr. No	Country	No of products	Status
1.	Nigeria	43	Our Company has received the Certificate of Registration for all of the 43 products
2.	Cambodia	13	Our Company has received the Certificate of Registration for all of the 13 products.
3.	Kenya	10	Our Company has received the Certificate of Registration for all of the 10 products.
4.	Myanmar	5	Our Company has received the Certificate of Registration for all of the 5 products
5.	Hong Kong	2	Our Company has received the Certificate of Registration for both of the products
6.	Turkmenistan	2	Our Company has received the Certificate of Registration for both of the products
7.	Peru	1	Our Company has obtained the Certificate of Registration for the given product
8.	Afghanistan	2	Our Company has obtained the Certificate of Registration for both of the products

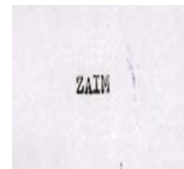
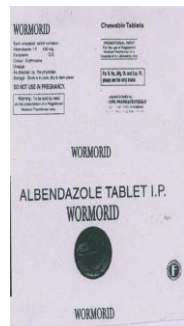




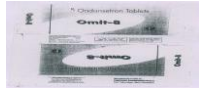
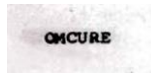


## Finecure Pharmaceuticals Limited

### V. INTELLECTUAL PROPERTY REGISTRATIONS

1. The following Trademarks have been registered under the name of our Company.

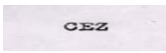

S. No	Trade Mark Number	Name Of Trade Mark	Class	Trademark Type	Status	Registration Date	Renewed Upto	Trademark Type
1.	2025268	Sukafete	5	Device	Registered	20/09/2010	20/09/2020	SUKAFETE
2.	3129468	Sifiziam	5	word	Registered	16/12/2015	16/12/2025	Sifiziam
3.	2025266	Sefpoxim	5	Device	Registered	20/09/2010	20/09/2020	SEFPOXIM
4.	2025276	Rosevast	5	Device	Registered	20/09/2010	20/09/2020	ROSEVAST
5.	2025275	Raby	5	Device	Registered	20/09/2010	20/09/2020	RABY
6.	3129460	Prantrix 250	5	word	Registered	16/12/2015	16/12/2025	Prantrix 250
7.	3129457	Prankof	5	Word	Registered	16/12/2015	16/12/2025	Prankof
8.	3129454	Prancefpo 100	5	Word	Registered	16/12/2015	16/12/2025	Prancefpo 100
9.	2025272	Montale	5	device	Registered	20/09/2010	20/09/2020	MONTALE
10.	2025278	Cukralfete	5	device	Registered	20/09/2010	20/09/2020	CUKRALFETE
11.	2025282	Citrakul	5	device	Registered	20/09/2010	20/09/2020	CITRAKUL
12.	2025279	Acboz	5	device	Registered	20/09/2010	20/09/2020	ACBOZ
13.	3229965	Pranshu Healthcare (Class 35)	35	Word	Registered	06/04/2016	06/04/2026	Pranshu Healthcare
14.	3229960	Pranshu Healthcare (Class 5)	5	Word	Registered	06/04/2016	06/04/2026	Pranshu Healthcare
15.	3129467	Acneval	5	word	Registered	16/12/2015	16/12/2025	Acneval
16.	3129437	Alerzilevo	5	word	Registered	16/12/2015	16/12/2025	Alerzilevo
17.	3129442	Fexoquit	5	word	Registered	16/12/2015	16/12/2025	FEXOQUIT
18.	3129448	Lactoloose	5	word	Registered	16/12/2015	16/12/2025	Lactoloose
19.	2828483	F24	3	word	Registered	16/10/2014	16/10/2024	F24

S. No	Trade Mark Number	Name Of Trade Mark	Class	Trademark Type	Status	Registration Date	Renewed Upto	Trademark Type
20.	3583439	Elzithrosin	5	word	Registered	03/07/2017	03/07/2027	ELZITHROSIN
21.	3557971	Recadot	5	word	Registered	26/5/2017	26/5/2027	RECADOT
22.	3583541	Roxbiote	5	word	Registered	03/07/2017	03/07/2027	ROXBIOTE
23.	3583534	Itrogard	5	word	Registered	03/07/2017	03/07/2027	ITROGARD
24.	1067787	Zaim	5	Device	Registered	19/12/2001	19/12/2021	
25.	1633881	Wormorid	5	Device	Registered	24/12/2007	24/12/2027	
26.	2025218	Vitogems	5	Device	Registered	20/09/2010	20/09/2020	VITOGEMS
27.	1233817	Sukal	5	word	Registered	09/09/2003	09/09/2023	SUKAL
28.	1645587	Siliv-70	5	Device	Registered	24/01/2008	24/01/2028	
29.	1523461	Sayfur-500(Label)	5	Device	Registered	22/01/2007	22/01/2027	
30.	1233809	Revamp	5	word	Registered	09/09/2003	09/09/2023	REVAMP
31.	1132740	Profine	5	word	Registered	09/11/2002	09/11/2022	PROFINE
32.	1127135	Prerest	5	word	Registered	19/08/2002	19/08/2022	PREREST

S. No	Trade Mark Number	Name Of Trade Mark	Class	Trademark Type	Status	Registration Date	Renewed Upto	Trademark Type
33.	1175905	Pepcare	5	word	Registered	18/02/2003	18/02/2023	PEPCARE
34.	2025224	Painrelax	5	Device	Registered	20/09/2010	20/09/2020	PAINRELAX
35.	1233812	Osett	5	word	Registered	09/09/2003	09/09/2023	OSETT
36.	1633882	Omit-8 (Lebal)	5	Device	Registered	24/12/2007	24/12/2027	
37.	1105971	Omcure	5	Device	Registered	21/05/2002	21/05/2022	
38.	1633884	Oflex-On	5	Device	Registered	24/12/2007	24/12/2027	
39.	1047764	Nimkul	5	word	Registered	26/09/2001	26/09/2021	NIMKUL
40.	1490259	Mynerve	5	word	Registered	22/09/2006	22/09/2026	MYNERVE
41.	2025221	Mvnerve-V	5	Device	Registered	20/09/2010	20/09/2020	MVNERVE-V
42.	1127134	Menuvit	5	word	Registered	19/08/2002	19/08/2022	MENUVIT
43.	1223958	Lf	5	word	Registered	19/08/2003	19/08/2023	LF
44.	1545784	Koforil	5	word	Registered	04/02/2007	04/02/2027	KOFORIL
45.	1163635	Kofkul	5	word	Registered	01/02/2003	01/02/2023	KOFKUL
46.	1519453	Irocal-Pn	5	Device	Registered	01/2/2007	1/2/2027	
47.	1175904	Irocafe	5	word	Registered	18/02/2003	18/02/2023	IROCAFE
48.	1169870	Glortho	5	word	Registered	28/01/2003	28/01/2023	GLORTHO
49.	1180793	Fungard	5	word	Registered	03/06/2003	03/06/2023	FUNGARD
50.	1180791	Fitflam	5	word	Registered	03/06/2003	03/06/2023	FITFLAM
51.	1488106	Finetrix (Label)	5	word	Registered	18/09/2006	18/09/2026	FINETRIAX (LABEL)



# Finecure Pharmaceuticals Limited

S. No	Trade Mark Number	Name Of Trade Mark	Class	Trademark Type	Status	Registration Date	Renewed Upto	Trademark Type
52.	1233816	Fineorest	5	word	Registered	09/09/2003	09/09/2023	FINEOREST
53.	1127139	Finemox	5	word	Registered	19/08/2002	19/08/2022	FINEMOX
54.	2025216	Finecure	5	Device	Registered	20/09/2010	20/09/2020	FINECURE
55.	1764904	Finecure	5	Device	Registered	17/12/2008	17/12/2018	<b>FINECURE</b>
56.	2025223	Finecure	10	Device	Registered	20/09/2010	20/09/2020	FINECURE
57.	2025222	Finecure	1	Device	Registered	20/09/2010	20/09/2020	FINECURE
58.	1163636	Fine - O - Linctus	5	word	Registered	01/02/2003	01/02/2023	FINE - O - LINCTUS
59.	1488124	F-Finecure Pharmaceuticals (Label)	42	Word	Registered	18/09/2006	18/09/2026	F FINECURE PHARMACEUTICALS (LABEL)
60.	1163633	Dizox	5	word	Registered	01/02/2003	01/02/2023	DIZOX
61.	2025220	Diabnerve	5	Device	Registered	20/09/2010	20/09/2020	DIABNERVE
62.	1545785	Cezlevo	5	word	Registered	04/02/2007	04/02/2027	CEZLEVO
63.	1067786	Cez	5	Device	Registered	19/12/2001	19/12/2021	
64.	1132739	Cacitate	5	word	Registered	09/11/2002	09/11/2022	CACITATE
65.	1633883	Bpgard (Label)	50	Device	Registered	24/12/2007	12/24/2027	
66.	1180790	Bloc	5	word	Registered	03/06/2003	03/06/2023	BLOC
67.	1233808	Azom	5	Word	Registered	09/09/2003	09/09/2023	AZOM
68.	1183435	Atamo	5	Word	Registered	17/03/2003	17/03/2023	ATAMO
69.	3583529	Inteworm	5	word	Registered	03/07/2017	03/07/2027	INTEWORM

2. Our Company is using the Trademarks registered under the name of our Group Company, Global Medisciences Limited through a royalty agreement dated November 11, 2017.

S. No.	Applicati on No.	Brand Name	Class	Trademar k	Status	Registration Date	Renewed Upto
1	1805849	Calstrong	5	Device	Registered	13/04/2009	13/04/2019
2	1481487	CEPRAZO	5	Word	Registered	24/08/2006	24/08/2026
3	1232434	CLOG	5	Word	Registered	05/09/2003	05/09/2023
4	1805848	ELZITHRO	5	Device	Registered	13/04/2009	13/04/2019
5	1805857	EMOXYLIN	5	Device	Registered	13/04/2009	13/04/2019
6	1805844	FLUCOGARD	5	Device	Registered	13/04/2009	13/04/2019
7	1233799	FOETOP	5	Word	Registered	9/9/2003	9/9/2023
8	1805845	HANGAR	5	Device	Registered	13/04/2009	13/04/2019
9	1805847	MVGOLD	5	Device	Registered	13/04/2009	13/04/2019
10	1487278	ONDAVOM4 [LABEL]	5	Word	Registered	14/09/2006	14/09/2026
11	1233795	OZAP	5	Word	Registered	09/09/2003	09/09/2023
12	1481492	PEPKUL (IN ENGLISH INSCRIPTION S)	5	Word	Registered	24/08/2006	24/08/2026
13	1540769	PIPRATAZO	5	Word	Registered	16/03/2007	16/03/2027
14	1233802	RAMM	5	Word	Registered	09/09/2003	09/09/2023
15	1805854	SAYFUROX	5	Device	Registered	13/04/2009	13/04/2019
16	1805852	SIFALEX	5	Device	Registered	13/04/2009	13/04/2019
17	1233796	SP10	5	Word	Registered	09/09/2003	09/09/2023
18	1481486	TRAPAIN ( IN ENGLISH INSCRIPTION S)	5	Word	Registered	24/08/2006	24/08/2026
19	1805851	UPFE	5	Device	Registered	13/04/2009	13/04/2019
20	1232436	CP500	5	Word	Registered	05/09/2003	05/09/2023
21	1233797	IBUF	5	Word	Registered	09/09/2003	09/09/2023
22	1232437	OM20	5	Word	Registered	05/09/2003	05/09/2023
23	1232435	OMD	5	Word	Registered	05/09/2003	05/09/2023
24	1805853	SEEPRO	5	Device	Registered	13/04/2009	13/04/2019
25	1481493	WINMAL	5	Word	Registered	24/08/2006	24/08/2026
26	1506683	NOFLO	5	Word	Registered	22/11/2006	22/11/2026
27	1233798	PORONIL	5	Word	Registered	09/09/2003	09/09/2023

## VI. PENDING APPROVALS

1. Our Company has applied for the registration of the following trademarks under the Trademarks Act, 1999 and the same are pending at various stages.

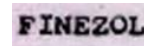

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
1	2025274	PANTOKOOL	Opposed	20/09/2010	5	Device

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
2	2025281	ATVAST	Opposed	20/09/2010	5	Device
3	2025262	OMIPRAA	Opposed	20/09/2010	5	Device
4	2025280	ACYNAC	Opposed	20/09/2010	5	Device
5	2025270	CEFOSAL	Opposed	20/09/2010	5	Device
6	2025265	MONTEY	Opposed	20/09/2010	5	Device
7	2025264	VASART H	Opposed	20/09/2010	5	Device
8	2025277	FLOSART H	Opposed	20/09/2010	5	Device
9	2025269	SEFFIX	Opposed	20/09/2010	5	Device
10	2025263	TELSART H	Opposed	20/09/2010	5	Device
11	3249147	ADEPlus	Objected	2/5/2016	5	Device
12	3129436	Alerzicet	Opposed	16/12/2015	5	Word
13	3129439	Alkocit	Objected	16/12/2015	5	Word
14	3229961	ALOPRO-MOM	Objected	04/06/2016	5	Word
15	3249148	ATVAST EZ	Objected	02/05/2016	5	Device
16	3249153	Buildcal-D3	Objected	02/05/2016	5	Device
17	3249149	Calocal-D3	Objected	02/05/2016	5	Device
18	3229962	CEFPIME-1000	Objected	04/06/2016	5	Word
19	3129440	CLOMFERT	Objected	16/12/2015	5	Word
20	3129441	Clopcare	Opposed	16/12/2015	5	Word
21	3235605	CVIR-DUO	Objected	13/04/2016	5	Word
22	3249144	DICO-P	Objected	02/05/2016	5	Word
23	3129443	F-Gard	Objected	16/12/2015	5	Word
24	3129444	FICOF	Objected	16/12/2015	5	Word
25	3249145	Folfine	Objected	02/05/2016	5	Word
26	3129445	Gabafine	Objected	16/12/2015	5	Word
27	3129446	Glimefine	Objected	16/12/2015	5	Word
28	3129447	KETOSHAM	Objected	16/12/2015	5	Word
29	3129449	LD10	Objected	16/12/2015	5	Word
30	3129450	Liwoflox 250	Objected	16/12/2015	5	Word
31	3129451	L-Sitrizin 5	Objected	16/12/2015	5	Word

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
32	3129452	LYCOPHEROL	Objected	16/12/2015	5	Word
33	3129453	Metfine XL	Objected	16/12/2015	5	Word
34	3249150	Montey B-10	Objected	02/05/2016	5	Device
35	3249146	Nafer	Objected	02/05/2016	5	Word
36	3229964	NEOCARDIABCAR E	Objected	06/04/2016	35	Word
37	3229966	NEOCARDIABCAR E	Objected	06/04/2016	5	Word
38	3249152	Nevelol H	Objected	02/05/2016	5	Device
39	3259432	Oflex-TZ	Objected	13/05/2016	5	Word
40	3229963	PLUSS-D3 60000	Objected	06/04/2016	5	Word
41	3229959	PMNERVE	Objected	06/04/2016	5	Word
42	3129456	Pranceph	Opposed	16/12/2015	5	Word
43	3129458	Pranmox	Objected	16/12/2015	5	Word
44	3129459	Pransera D	Objected	16/12/2015	5	Word
45	3129462	SAFEDINIR-300	Objected	16/12/2015	5	Word
46	3129463	Sitral	Objected	16/12/2015	5	Word
47	3129464	Stopvomit	Objected	16/12/2015	5	Word
48	3129465	TADEGRA	Objected	16/12/2015	5	Word
49	3285548	Telsart-AM	Objected	15/06/2016	5	Device
50	3129466	Terboril	Objected	16/12/2015	5	Word
51	3263226	UPCAL-ALPHA	Objected	18/05/2016	5	Word
52	3229958	Vogleboz	Advertised bef acc	06/04/2016	5	Word
53	3320226	SILOSTA-100	Advertised bef acc	26/07/2016	5	Word
54	3343339	Cardiabcare	Objected	22/08/2016	5	Word
55	3343340	NEOCARDIABCAR E	Objected	22/08/2016	5	Device
56	3378994	CEFPOCVDRYSYR UP50	Objected	01/10/2016	5	Device
57	3378993	CEFPODRYSYRUP3 OML	Objected	01/10/2016	5	Device
58	3129461	RB20DSR	Objected	16/12/2015	5	Word
59	2025273	NEVELOL	Opposed	20/09/2010	5	Device
60	3583493	ITRAX	Objected	03/07/2017	5	Word

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
61	3583524	ALOZAIM	Marked for exam	03/07/2017	5	Word
62	3583543	VITOXIDENT	Objected	03/07/2017	5	Word
63	3583511	ACLOVETA	Objected	03/07/2017	5	Word
64	3583519	MOMJOY	Objected	03/07/2017	5	Word
65	3583535	SPASRELAX	Opposed	03/07/2017	5	Word
66	3685170	PINNACLE	Objected	23/11/2017	5	Word
67	2814546	FINECURE	Advertised before acc	15/09/2014	35	Word

2. In addition to the above, the following registered trademarks have been assigned to us by our Promoter Mr. Vikash Rajgarhia vide a deed of assignment dated January 5, 2018. Our Company is in the process of making an application before the trademark's registry for registration of the said assignment in the name of our Company.

S. No	Trade mark number	Name of trade mark	Class	Trademark type	Status	Registration date	Renewed upto	Trademark type
1.	1219709	Dexcold	5	Word	Registered	04/08/2013	04/08/2023	Dexcold
2.	1105970	Finezol	5	Device	Registered	21/05/2012	21/05/2022	
3.	1127136	Flary	5	Word	Registered	19/08/2012	19/08/2022	Flary
4.	1082728	Lansoz	5	Word	Registered	22/02/2012	22/02/2022	Lansoz
5.	1082730	Paar	5	Device	Registered	22/02/2012	22/02/2022	
6.	1180794	Sena	5	Word	Registered	06/03/2013	06/03/2023	Sena

3. In addition, the following unregistered trademarks, in respect of which applications made by our Promoter i.e. Mr. Vikash Rajgarhia for registration are pending before the trademarks registry, have been transferred to our Company vide deed of assignment dated January 5, 2018. Our Company is in the process of making application to the trademarks registry for registration of the said assignment in the name of our Company:

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
1	1127137	DOMPON	Opposed	19/08/2002	5	Word
2	1082727	ROXCURE	Opposed	22/02/2002	5	Word
3	1633385	AMOPIN 5	Opposed	04/04/2003	5	Device
4	1633886	CAD-500 (LEBAL	Opposed	09/11/2001	5	Device

S. No.	Application Number	Name of Trade Mark	Status	Application Date	Class	Trade Mark Type
5	1185067	FAMCLOX	Opposed	24/03/2003	5	Word
6	1185064	AYULIV	Opposed	24/03/2003	5	Word
7	1223959	CEZCOLD	Opposed	19/08/2003	5	Word
8	1185068	F E N I G Y L	Opposed	24/03/2003	5	Word
9	1645588	DYASERIN (LABEL)	Opposed	24/01/2008	5	Device
10	2025227	KOFZERO	Refused	20/09/2010	5	Device
11	2025219	HB-RISE	Opposed	20/09/2010	5	Device
12	2025226	GASTROKUL	Opposed	20/09/2010	5	Device
13	1515084	ACIFINE (LABEL)	SP Opposed	19/12/2006	5	Word
14	1082729	CEFINE	Opposed	22/02/2002	5	Word
15	2025225	PAINFREE	Objected	20/09/2010	5	Device
16	2025217	GROVIT	Opposed	20/09/2010	5	Device
17	1078827	CEFEL	Opposed	06/02/2002	5	Word
18	1233813	CEFPO	Opposed	09/09/2003	5	Word
19	1185067	FAMCLOX	Opposed	24/03/2003	5	Word

4. Our Company has filed an application for patent numbered 201821003822 under The Patents Act, 1970 with the Patent Office, Government of India dated February 1, 2018.

**OTHER REGULATORY AND STATUTORY DISCLOSURES**
**Authority for the Offer**
*Corporate Approvals*

1. Our Board of Directors has authorized the Offer by a resolution dated December 28, 2017 subject to the approval of the Shareholders of our Company under Section 28 and 62(1) (c) of the Companies Act 2013.
2. Our Shareholders have, pursuant to a special resolution passed on January 29, 2018 under Section 28 and 62(1) (c) of the Companies Act 2013, authorized the Offer.

*Approvals from the Selling Shareholders*

The Selling Shareholders have approved the transfer of their respective Equity Shares pursuant to the Offer for Sale as set out below:

S.No.	Name of the Shareholders	Selling	Date of Consent Letter	Number of Equity Shares offered for Sale
1.	Mr. Vikash Rajgarhia		January 29, 2018	Up to 1,00,000
2.	Mr. Vivek Rajgarhia		January 29, 2018	Up to 1,00,000
3.	Mr. Vishal Rajgarhia		January 29, 2018	Up to 1,00,000
4.	Ms. Ushadevi Rajgarhia		January 29, 2018	Up to 1,00,000
5.	Ms. Pooja Rajgarhia		January 29, 2018	Up to 1,00,000
6.	Ms. Priti Rajgarhia		January 29, 2018	Up to 1,00,000
7.	Ms. Archana Rajgarhia		January 29, 2018	Up to 1,00,000

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and, hence, eligible for being offered for sale in the Offer. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third party rights.

*In-principle Approvals*

Our Company has obtained in-principle approval from National Stock Exchange of India Limited (NSE) for using its name in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus pursuant to an approval letter dated [●]. NSE is the Designated Stock Exchange.

**Prohibition by SEBI, RBI or governmental authorities**

None of our Company, our Promoter, the members of our Promoter Group, our Directors or persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities.

Neither our Promoter, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Each Selling Shareholder confirms that it has not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, each Selling Shareholder confirms that it has not been declared as a Wilful Defaulter. There are no violations of securities laws committed by any Selling Shareholder in the past or currently pending against any Selling Shareholder.

The companies with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

## **Association with Securities Market**

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

## **Prohibition with respect to wilful defaulters**

Neither our Company, our Promoters, our Directors, Group Company, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company nor the Selling Shareholders have been identified as wilful defaulters as defined by the SEBI ICDR Regulations.

## **Eligibility for the Offer**

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this offer.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the offer in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post offer paid up capital is more than ₹10 Crore and upto ₹ 25 Crore, we may hence offer Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of NSE").

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this offer is 100% underwritten and that the BRLM to the offer shall underwrites minimum 15% of the total offer size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" on page 71.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed the Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Book Running Lead Manager and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Offer" on page 71.

We further confirm that we shall be complying with all the other requirements as laid down for such an offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange. As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Offer.

5. Our Company has facilitate trading in demat securities and has entered into an agreement with NSDL and CDSL. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated January 11, 2018 and National Securities Depository Limited dated December 20, 2017

for establishing connectivity.

6. Our Company has a website i.e. <http://www.finecurepharma.com>.
7. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

8. Our Company was incorporated as 'Finecure Pharmaceuticals Limited' under the provisions of the Companies Act, 1956 with Certificate of Incorporation dated March 18, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company received the Certificate of Commencement of Business dated April 12, 2005 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identity Number of our Company is U24230GJ2005PLC045724.
9. The post offer paid up capital of the company will be [●] shares of face value of ₹ 10/- aggregating to ₹ [●] crore which is less than ₹ 25 Crore.
10. The company confirms that it has track record of more than 3 years
11. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on December 31, 2017 is positive
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR)
13. There is no winding up petition against our Company that has been admitted by the Court and no liquidator has been appointed against the Company.
14. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Company, companies promoted by the promoters of the company.
16. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, financial institutions by our Company, Promoters, Group Company, companies promoted by the Promoters during the past three years

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of NSE (NSE EMERGE).

#### **Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations**

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Offer. Further, our Company has not been formed by the conversion of a partnership firm into a company.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER AND THE SELLING SHARE HOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI AND STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED APRIL 06, 2018 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER AND THE SELLING SHARE HOLDERS, WE CONFIRM THAT:**
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE;
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE STOCK EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE;
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE;
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE;
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH;
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE OFFER AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE –NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALIZED FORM ONLY;
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION. COMPLIED WITH;

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. NOTED FOR COMPLIANCE;
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC. COMPLIED WITH;
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH;
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015. COMPLIED WITH;
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) -NOT APPLICABLE

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE OFFER UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS OFFER SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE OFFER HAVE BEEN GIVEN.



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3. **WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.**
4. **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER - NOTED FOR COMPLIANCE.**
5. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS-. - NOT APPLICABLE.**
6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

## **Note:**

*The filing of this Draft Red Herring Prospectus does not, however, absolve our company and any person who has authorized the offer of this Draft Red Herring Prospectus from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Draft Red Herring Prospectus.*

*All legal requirements pertaining to the Offer will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Gujarat, Ahmedabad in terms of sections 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26,30 and 32 of the Companies Act, 2013.*

## **Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Surevin BPO Services Limited	3.648	40.00	August 09, 2017	48.00	-7.50% [0.27%]	-10.50% [4.46%]	97.5% [7.65%]
2.	Pashupati Cotspin Limited	20.88	75.00	September 08, 2017	77.00	-0.13% [0.54%]	-1.47% [2.33%]	-5.33% [2.21%]
3.	Share India Securities Limited	26.37	41.00	October 05, 2017	44.75	49.27% [6.30%]	112.32% [6.97%]	158.54% 4.52%
4.	RKEC Projects Limited	28.70	45.00	October 09, 2017	54.00	202.22% [3.15%]	281.78% [6.36%]	NA
5.	D. P. Abhushan Limited	16.61	28.00	October 23, 2017	33.60	92.86% [1.55%]	162.50% [7.67%]	NA
6.	ANI Integrated	25.656	100.0	Novem	120.00	67.00%	21%	NA

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	Services Limited		0	ber 20, 2017		[1.41%]	[0.77%]	
7.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	25% [1.77%]	NA
8.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	NA	NA
9.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	NA	NA	NA
10.	Tara Chand Logistic Solutions Limited	20.46	55.00	March 23, 2018	49.00	NA	NA	NA

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) , Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-16	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4
2016-17	12 <sup>(4)</sup>	99.90	-	-	2	3	3	4	-	-	3	3	2	4
2017-18	16 <sup>(5)</sup>	234.21	-	1	2	6	2	3	-	-	3	3	2	1

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively.

(4) The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(5) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited,

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*ANI Integrated Services Limited , Dynamic Cables Limited , Vasa Retail and Overseas Limited, Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018 and March 23, 2018 respectively. Further, the Scrips of RKEC Projects Limited, D. P. Abhushan Limited and ANI Integrated Services Limited has not completed 180<sup>th</sup> days from the date of their listing. Moreover, the scrips of Dynamic Cables Limited and Vasa Retail and Overseas Limited has not completed 180<sup>th</sup> days and 90<sup>th</sup> from the date of its listing and the scrips of Tara Chand Logistic Solutions Limited and Hindcon Chemicals Limited has not completed its 30<sup>th</sup> day from the date of its listing.*

### Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the BRLM. Hence, disclosures pertaining to recent 10 issues handled by BRLM are provided.

*Source: Price Information [www.bseindia.com](http://www.bseindia.com).& [www.nseindia.com](http://www.nseindia.com) , Issue Information from respective Prospectus.*

## **Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of Book Running Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at: [www.hemsecurities.com](http://www.hemsecurities.com)

## **Disclaimer from our Company, the Selling Shareholders and the Book Running Lead Manager**

Our Company, Selling Shareholders, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, <http://www.finecurepharma.com> or Our Group Company or would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for any statements made or undertakings provided other than those made by the Selling Shareholders, and only in relation to them and/or to the Equity Shares offered by the Selling Shareholders through the Offer for Sale.

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLM, the Selling Shareholders and our Company, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLM to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.



## **Finecure Pharmaceuticals Limited**

The BRLM and their associates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation

### **Disclaimer in Respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Jaipur Rajasthan only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **Disclaimer Clause of the SME Platform of NSE**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given by way of its letter [●] permission to the Issuer to use the Exchanges name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

This Draft Red Herring Prospectus has filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai 400051, India.

This Draft Red Herring Prospectus shall not be filed with the SEBI nor will SEBI issue any observation on the Offer Document in terms of Regulation 106(M) (3) of the SEBI (ICDR) Regulations.

However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380 009 for their record purpose only.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below:

Registrar of Companies, Gujarat  
ROC Bhavan , Opp Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013  
**Phone:** 079-27437597,  
**Fax:** 079-27438371

**Listing**

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed

period subject to applicable law.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLM, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchange within six Working Days from the Bid/Offer Closing Date

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

Shall be liable to action under section 447 of the Companies, Act 2013. The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of (a) The Selling Shareholders, our Directors, our Promoters, our Company Secretary & Compliance Officer, Chief Financial Officer, our Statutory Auditor, our Peer Review Auditor, Book Running Lead Manager, Registrar to the Offer, ICRA Limited, Banker to our Company, Legal Advisor to the Offer have been obtained; and (b) Banker(s) to the Offer/ Escrow Collection Bank, Refund Bank, Syndicate Member(s) to the Offer and Market Maker to the Offer to act in their respective capacities will be obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Shah & Iyer, Chartered Accountants, Statutory Auditor and M/s. SVK & Associates, Chartered Accountants Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled "*Financial Information*" and "*Statement of Tax Benefits*" beginning on pages 173 and 97 respectively from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions.

### **Offer Expenses**

The expenses of this Offer include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Offer, refer to chapter "*Objects of the Offer*" beginning on page 86.

**Details of Fee Payable:**
**Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated February 5, 2018 with the Selling Shareholders and the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated [●] with the Selling Shareholders and Underwriter and (iii) the Market Making Agreement dated [●], a copy of which is available for inspection at our Registered Office from 10.00am to 5.00 pm on Working Days from the date of the Draft Red Herring Prospectus until the Offer Closing Date.

**Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice/CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement signed among our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which shall be made available for inspection at our Registered and Corporate Office from 10 am to 4 pm on Working Days. Adequate funds shall be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post or speed post or ordinary post.

**Particulars regarding Public or Rights Issues during the last five (5) years**

Except as disclosed in section titled "*Capital Structure*" beginning on page 74, our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of Draft Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash**

For a detailed description, section titled "*Capital Structure*" beginning on page 74.

**Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/rights issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated under section titled "*Capital Structure*" beginning on page 74 our Company has not undertaken any previous public or rights issue. None of the Group Companies or associates of our Company are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate Companies are unlisted and have not made a public issue of shares.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Redeemable Preference Shares as on the date of filing Draft Red Herring Prospectus.

**Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

**Option to Subscribe**

Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Offer, our Company and the Selling shareholders provides for retention of records with the Registrar to the Offer for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Sonamben Zatkia, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Sonamben Zatkia  
**Finecure Pharmaceuticals Limited**  
612 to 615 Anand Mangal-Complex III,  
Nr. Parimal Garden,  
Rajnagar Club Lane, Ellisbridge,  
Ahmedabad, Gujarat, India, 380 006.  
Telephone: +91-79-4903 0405  
Facsimile: +91-79-4903 0400

Email id: [compliance@finecurepharma.com](mailto:compliance@finecurepharma.com)

Our Board by a resolution on February 7, 2018 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 150.

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.**

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

There have been no changes in Auditors of our Company in during the last three years preceding the date of this Draft Red Herring Prospectus.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "*Capital Structure*" beginning on page 74, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchange. For details, please refer to section titled "*Statement of Tax Benefits*" beginning on page 97.

### **Purchase of Property**

Other than as disclosed under section titled "*Our Business*" beginning on page 110, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Offer, or that the Offer was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.



### **Servicing Behavior**

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on pages 150, and 171 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**SECTION VII – OFFER RELATED INFORMATION**
**OFFER STRUCTURE**

Initial Public Offering of up to 43,40,000 Equity Shares of face value of ₹ 10 each, at an Offer Price of ₹ [●] per Equity Share for cash, aggregating up to ₹ [●] Lakhs comprising of a Fresh Issue of up to 36,40,000 Equity Shares aggregating ₹ [●] Lakhs and an Offer for Sale of up to 7,00,000 Equity Shares aggregating to ₹ [●] Lakhs comprising an offer of up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vikash Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vivek Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Mr. Vishal Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Ushadevi Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Pooja Rajgarhia, up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Priti Rajgarhia and up to 1,00,000 Equity Shares aggregating to ₹ [●] Lakhs by Ms. Archana Rajgarhia. The Public Offer will constitute [●] % of the post- Offer paid-up Equity Share capital of our Company.

This Offer is being made in terms of Chapter XB of the SEBI (ICDR) Regulations and through the Book Building Process.

Particulars	QIBs**	Non-Institutional Investors	Retail Individual Investors	Market Maker Reservation Portion
Number of Equity Shares available for allocation*	Not more than [●] Equity Shares	Not less than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors	[●] Equity Shares
Percentage of Offer size available for allocation	Not more than 50% of the Offer size shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only.  Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Any unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion (other than Anchor Investor Portion)	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors shall be available for allocation	[●]% of the Offer Size
Basis of Allotment/ allocation respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion):  (a) At least [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares will be available for allocation	Proportionate	Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a	Firm Allotment

Particulars	QIBs**	Non-Institutional Investors	Retail Individual Investors	Market Maker Reservation Portion
	on a proportionate basis to all other QIBs including Mutual Funds receiving allocation as per (a) above		proportionate basis. For more information, see "Offer Procedure" on page 391	
	Up to [●] Equity shares have been allocated on a discretionary basis to Anchor Investors			
Mode of Bidding	Through ASBA process only (except Anchor Investors)			
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Trading Lot	[●] Equity Shares			
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 2500 Lakhs, pension funds with a minimum	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian Individuals, HUF (in the name of Karta), Eligible NRIs and sub accounts of FIIs reistered with SEBI, which are foreign corporates or individuals eligible QFIs and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value	Market Maker

Particulars	QIBs**	Non-Institutional Investors	Retail Individual Investors	Market Maker Reservation Portion
	corpus of ₹ 2500 Lakhs, the National Investment Fund set up by the GoI, insurance funds set up and managed by the army, navy, or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.			
Terms of Payments****	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form.</p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>			

\*Assuming full subscription in the Offer.

\*\*Our Company and the selling shareholders may, in consultation with the Book Running Lead Manager to allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, please refer to the chapter titled "Offer Procedure" beginning on page 391.

\*\*\*If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

\*\*\*\*In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. For details of terms of payment applicable to Anchor Investors, refer to the chapter titled "Offer Procedure" beginning on page 391.

As per Regulation 43(2) of the SEBI (ICDR) Regulations 'the allocation' is the net offer to the public category shall be made as follows:

- Not less than thirty five per cent to retail individual investors; and
- Not less than fifteen per cent to non-institutional investors; and
- Not more than fifty per cent to qualified institutional buyers, 5% (five per cent) of which shall be allocated to mutual funds.

Provided that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.

#### Offer Programme\*

<b>BID/ OFFER OPENING DATE</b>	[●]
<b>BID/ OFFER CLOSING DATE</b>	[●]

\*Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres mentioned in the Bid cum Application Form. On the Bid/Offer Closing Date when Bids will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 4.00



**Finecure Pharmaceuticals Limited**

*p.m. IST in case of Bids by QIBs and Non-Institutional Bidders and until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders*

.  
Due to limitation of time available for uploading the bids on the Bid/ Offer Closing Date, Bidders are advised to submit their bids one day prior to the Bid/Offer Closing Date and, in any case, not later than 1.00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some bids may not get uploaded due to lack of sufficient time. Such bids that cannot be uploaded will not be considered for allocation under this Offer.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

## TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer will be subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, the SCRR, the SCRA, our Memorandum of Association, our Articles of Association, the Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN, the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer and sale of capital and listing and trading of securities, issued from time to time, by SEBI, GoI, Stock Exchanges, the RoC, RBI and/or other authorities to the extent applicable or such other conditions as may be prescribed by any governmental, regulatory or statutory authority while granting its approval for the Offer.

### Offer Expenses

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in proportion to the number of Equity Shares offered and/or transferred by each of the Company and the Selling Shareholders in the Offer, respectively. Further, the Selling Shareholders shall reimburse our Company for all expenses, other than the listing fee (which shall be solely borne by our Company), incurred by our Company in relation to the Offer for Sale on each of their behalf in proportion to their respective Offered Shares, and in accordance with applicable law.

### Ranking of Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer will be subject to the provisions of the Companies Act, the Listing Regulations, our Memorandum of Association and our Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 436.

### Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Equity Shareholders, as per the provisions of the Companies Act, the Listing Regulations, our Memorandum of Association and our Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer, will be received by the Allottees in accordance with applicable law. For more information, see the chapters titled "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on page 172 and 436, respectively.

### Face Value and Price Band

The face value of each Equity Share is ₹ 10/-. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, and published by our Company at least five Working Days prior to the Bid/Offer Opening Date, in the [●] edition of [●] (a widely circulated English national daily newspaper), the [●] edition of [●] (a widely circulated Hindi national daily newspaper) and the [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located), and shall be made available to the Stock Exchange for uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the websites of the Stock Exchange.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations, guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'electronic-voting';
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 436.

## **Compliance with disclosure and accounting norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Option to receive Equity Shares in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be allotted only in dematerialized form. As per the SEBI (ICDR) Regulations, the trading of our Equity Shares will only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 20, 2017 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated January 11, 2018 amongst CDSL, our Company and the Registrar to the Offer.

## **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialized form, the tradable lot is [●] Equity Shares. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Shares.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Ahmedabad, Gujarat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in

compliance with Regulation S under the Securities Act and the applicable laws of 277 the jurisdiction where those offers and sales occur.

### Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by our Board, elect either to:

- register himself or herself as holder of Equity Shares; or
- make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

### Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLM, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

### Bid/Offer Period

<b>BID/OFFER OPENS ON</b>	[●]
<b>BID/OFFER CLOSES ON</b>	[●]

*\* Our Company and the Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations*

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds / unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLM.

Whilst our Company and the Selling Shareholders (each, in respect of themselves and the Offer for Sale by them respectively) shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The Selling Shareholders confirm that they shall extend all support and co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer for Sale) at all Stock Exchange within six Working Days from the Bid/Offer Closing Date.

#### **Submission of Bids:**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

#### **On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid cum Application Form, for a particular Bidder the details of the Bid file received from Stock Exchange may be taken as final data for purposes of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.**

## **Minimum Subscription**

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

As per section 39 of the Companies Act 2013, if the “**stated minimum amount**” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the offer through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the offer, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation 106R of SEBI ICDR Regulations, The minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*Further, in accordance with Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).*

## **Arrangement for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on SME Platform of NSE.

## **Migration to Main Board**

In accordance with NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board

OR

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

**Market Making**

The shares offered through this Offer are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to chapter titled "*General Information*" on page 64.

**As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Offer.

**Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

**Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Offer Equity Shares and Promoters minimum contribution in the Offer as detailed under chapter titled "*Capital Structure*" beginning on page 74, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 436.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper) [●] edition of (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad, where our registered office is situated). Our Company shall, in the pre- Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (General Information Document), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 for compensation to Retail Individual Investors (RIIs) in an IPO included below under "Part B– General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Our Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus*

*Please note that all the Bidders (except anchor investors) can participate in the Offer only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.*

*Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned NSE website.*

*Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application forms.*

## BOOK BUILDING PROCEDURE

The Offer is being made through the Book Building Process wherein not more than [●]% of the offer shall be available for allocation to Qualified Institutional Buyers on a proportionate basis provided that our Company and the Selling Shareholder in consultation with the BRLM may, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulations, of which one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price.

Further, not less than 15 % of the Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Shareholders in consultation with the BRLM and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

#### **BID CUM APPLICATION FORM:**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLM

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis (ASBA )	Blue
Anchor Investors**	As prescribed by the Issuer

\*excluding electronic Bid cum Application Form

\*\* Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank

#### **WHO CAN BID?**

In addition to the category of Bidders set forth under **General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Offer**, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

**MAXIMUM AND MINIMUM APPLICATION SIZE**
**a) For Retail Individual Bidders:**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000.

**b) For Other Bidders (Non-Institutional Bidders and QIBs)**

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Offer Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Offer shall not be made public during the Offer Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**INFORMATION FOR THE BIDDERS:**

- a) Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Offer Opening Date.
- b) Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre- Offer advertisement, in the form prescribed under the SEBI (ICDR) Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre- Offer advertisement, our Company and the Book Running Lead Manager shall advertise the Offer Opening Date, the Offer Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) The Price Band as decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager is ₹ [●] per Equity Share. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Offer Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d) This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be pre- filled in the Bid cum application forms available on the websites of the stock exchange.
- e) The Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Offer Period shall be extended, by an additional three Working Days, subject to the total Offer Period not exceeding ten Working Days. The revised Price Band and Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

**OPTION TO SUBSCRIBE IN THE OFFER:**

- a) As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

**AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM:**

- a) Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

**APPLICATIONS BY ELIGIBLE NRI'S/REPI'S REPATRIATION BASIS:**

- a) Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

**PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS:**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

**BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

**BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

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In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Selling Shareholders or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

**BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

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- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company and the Selling Shareholders in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the —Banking Regulation Act), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear

demarcated funds should be available in such account for such Bid cum applications.

### **BIDS BY ANCHOR INVESTORS:**

For details in relation to Bids by Anchor Investors, see the section entitled "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 351.

### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

### **TERMS OF PAYMENT:**

The entire Offer price of ₹ [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the offer shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Offer Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Offer Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism for Bidders**

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Bid cum Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions offered by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors applying in this Offer shall mandatorily make use of ASBA facility.

### **Payment into Escrow Account for Anchor Investors**

Our Company and the Selling Shareholders in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a) In case of resident Anchor Investors: "[●]"
- b) In case of Non-Resident Anchor Investors: "[●]"

**SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC:**

- a) Our Company has entered into an Underwriting agreement dated [•].
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.

**PRE-OFFER ADVERTISEMENT:**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; and (ii) Hindi National Newspaper; and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

**ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

**GENERAL INSTRUCTIONS:**

*Do's:*

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned

- will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respects;
  14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  15. Ensure that the category and the investor status is indicated;
  16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
  17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
  19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
  20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
  21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

*Don'ts:*

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;
17. Anchor Investors should not Bid through the ASBA Process

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS:**

- a) Our Company and the Selling Shareholders, in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company and the Selling Shareholders, in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) the price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants

**COMMUNICATIONS:**

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

**IMPERSONATION:**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013 which is reproduced below:*

*"Any person who—*

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

**UNDERTAKING BY THE COMPANY:**

Our Company undertakes:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of NSE where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;

4. That our Promoter's contribution in full has already been brought in;
5. That no further offer of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Offer after the Bid/Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

#### **UNDERTAKING BY THE SELLING SHAREHOLDERS:**

Each Selling Shareholders severally undertakes that:

1. It shall deposit its Equity Shares offered in the Offer in an escrow account opened with the [●] at least one Working Day prior to the Bid/Offer Opening Date;
2. It shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchange;
3. It shall take all steps and provide all assistance to our Company and the BRLM, as may be required for the completion of the necessary formalities for listing and commencement of trading at the stock exchange where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Offered Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholders;
4. It shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;
5. It shall ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law;
6. It shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law; and
7. It is the legal and beneficial owner of, and has full title to their respective portion of the Offered Shares in the Offer.

#### **UTILIZATION OF THE OFFER PROCEEDS:**

The Board of Directors of our Company certifies that:

1. All monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;
4. Our Company shall comply with the requirements of the Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Offer.
5. Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

6. The BRLM undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

Further the Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

#### **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL:**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated December 20, 2017 among NSDL, the Company and the Registrar to the Offer;
- b) Agreement dated January 11, 2018 among CDSL, the Company and the Registrar to the Offer;
- c) The Company's shares bear ISIN no INE020Z01017.

### **PART B**

#### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public offers in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders should rely on their own examination of the Offer and the Issue, and should carefully read the Draft Red Herring prospectus before investing in the Offer.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken inter-alia through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI (ICDR) Regulations**").

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the BRLM to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section "Glossary and Abbreviations" beginning on page 414.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs ON NSE EMERGE (SME PLATFORM)**

##### **2.1 INITIAL PUBLIC OFFER (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations, 2009, if applicable.

For details of compliance with the eligibility requirements by the Issuer. Bidders/Applicants may refer to the DRHP. The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post offer face value capital does not exceed ten crore rupees shall offer its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post Offer face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also offer specified securities in accordance with provisions of this Chapter.

The present offer being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

## **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

## **2.3 OTHER ELIGIBILITY REQUIREMENTS**

In addition to the eligibility requirements specified in paragraphs 2.1, an issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, the Companies Act, 1956 and the Companies Act, 2013 (the "**Companies Act**"), The Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry- specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, offer has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total offer size.
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the offer shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Red Herring Prospectus/Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the offer.
- e) The company should have track record of at least 3 years
- f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth should be positive
- g) The post offer paid up capital of the company (face value) shall not be more than ₹ 25 crore.
- h) The issuer shall mandatorily facilitate trading in demat securities.
- i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
- k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer.
- l) The Company should have a website. Issuer shall also comply with all the other requirements as

laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, shall not apply to this offer.

Thus Company is eligible for the offer in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post offer face value capital is more than ₹ 1000 lakhs and upto ₹ 2500 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

## **TYPES OF PUBLIC OFFERS – FIXED PRICE OFFERS AND BOOK BUILT OFFERS**

In accordance with the provisions of the SEBI (ICDR) Regulations, an Issuer can either determine the Offer Price through the Book Building Process (“Book Built Offers”) or undertake a Fixed Price Issue (“Fixed Price Offer”). An issuer may mention Floor Price or Price Band in the DRHP (in case of a Book Built Offer) and a Price or Price Band in the DRHP (in case of a Book Built Offer) and a Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Offer) and determine the price at a later date before registering the Red Herring Prospectus/ Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Offer advertisements to check whether the offer is a Book Built Offer or a Fixed Price Offer.

### **2.4 OFFER PERIOD**

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP for details of the Offer Period. Details of Offer Period are also available on the website of Stock Exchange(s).

In case of a Book Built Offer, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Offer the Bid/ Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchange and the BRLM, and the advertisement in the newspaper(s) issued in this regard.

### **2.5 MIGRATION TO MAIN BOARD**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

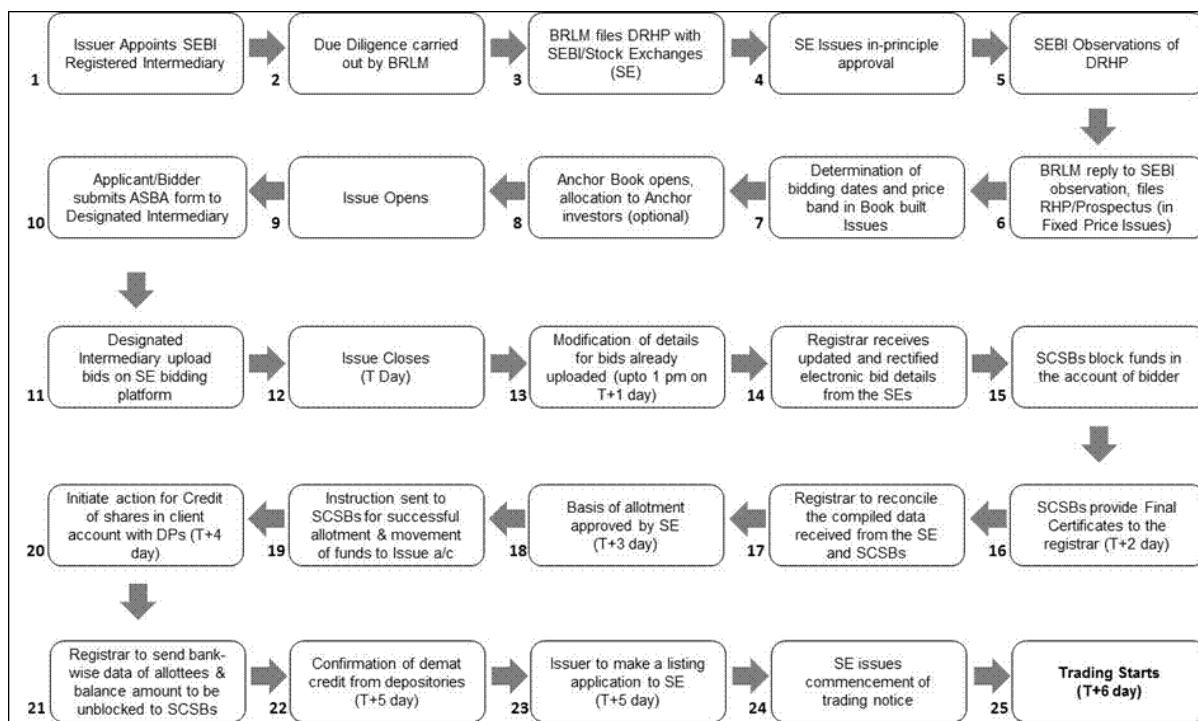
- a) *the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b) *If the Paid up Capital of the company is more than 10 crores but below ₹ 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## 2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Offers is as follows:



## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidders should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;

10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of ₹ 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Offer.

#### **SECTION 4: APPLYING IN THE OFFER**

**Book Built Offer:** Bidders should only use the specified Bid cum Application Form(or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP.

Bidders should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

<b>Category</b>	<b>Colour of the Bid cum Application (Excluding downloaded forms from SE website)</b>
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals applying under the QIB), on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/APPLICATION FORM**

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:



Finecure Pharmaceuticals Limited

# APPLICATION FORM FOR RESIDENT BIDDERS

<b>COMMON BID CUM APPLICATION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS</b>	
Address : _____		Contact Details: _____		CIN No. _____	
TO, THE BOARD OF DIRECTORS XYZ LIMITED		<b>BOOK BUILT ISSUE</b>		Bid cum Application Form No. _____	
ISIN : _____					

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>		<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>		<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>	
				Mr./Ms. _____	
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>		<b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>		Address _____	
				Email _____	
<b>BANK BRANCH SERIAL NO.</b>		<b>SCSB SERIAL NO.</b>		Tel. No (with STD code) / Mobile _____	
				<b>2. PAN OF SOLE / FIRST BIDDER</b>	
				_____	

<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				<b>6. INVESTOR STATUS</b>			
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID				<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH			
<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b>				<b>5. CATEGORY</b>			
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	<input type="checkbox"/> Retail Individual Bidder  <input type="checkbox"/> Non-Institutional Bidder  <input type="checkbox"/> QIB	
		Bid Price	Retail Discount	Net Price			
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>		
(OR) Option 2					<input type="checkbox"/>		
(OR) Option 3					<input type="checkbox"/>		

<b>7. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>	
Amount paid (₹ in figures) _____ (₹ in words) _____			
ASBA Bank A/c No. _____			
Bank Name & Branch _____			

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABREGEED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>		<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>		<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>	
Date : _____		I/We authorize the SCSB to do all acts as are necessary to make the Application in the line			
		1) _____			
		2) _____			
		3) _____			

TEAR HERE

<b>XYZ LIMITED</b>		<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>		<b>Bid cum Application Form No.</b>	
<b>INITIAL PUBLIC ISSUE - R</b>				_____	
DPID _____		PAN of Sole / First Bidder _____			
CLID _____					

Amount paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile _____		Email _____			

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder _____
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	ASBA Bank A/c No. _____				
	Bank & Branch _____			<b>Acknowledgement Slip for Bidder</b>	<b>Bid cum Application Form No.</b>

**APPLICATION FORM FOR NON RESIDENT BIDDERS**

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details: _____ CIN No. _____	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>
<b>LOGO</b>  <b>TO,</b> <b>THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> <b>ISIN : _____</b>	<b>Bid cum Application Form No.</b> _____

<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>  <b>ESCROW BANK/SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE / FIRST BIDDER</b> _____
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<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID _____	<b>6. INVESTOR STATUS</b> <input type="checkbox"/> <b>NRI</b> Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> <b>FII</b> FII or Sub-account not a Corporate/Foreign Individual <input type="checkbox"/> <b>FISA</b> FII Sub-account Corporate/Individual <input type="checkbox"/> <b>FVCI</b> Foreign Venture Capital Investor <input type="checkbox"/> <b>FPI</b> Foreign Portfolio Investors <input type="checkbox"/> <b>OTH</b> Others (Please Specify) _____
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<b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th>"Cut-off" (Please tick)</th> </tr> <tr> <td>Option 1</td> <td>8   7   6   5   4   3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td>3   2   1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </table>	Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)	Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	<b>5. CATEGORY</b> <input type="checkbox"/> <b>Retail Individual Bidder</b> <input type="checkbox"/> <b>Non-Institutional Bidder</b> <input type="checkbox"/> <b>QIB</b>
Bid Options			No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)																									
	Bid Price	Retail Discount		Net Price	"Cut-off" (Please tick)																								
Option 1	8   7   6   5   4   3   2   1	3   2   1	3   2   1	3   2   1	<input type="checkbox"/>																								
(OR) Option 2					<input type="checkbox"/>																								
(OR) Option 3					<input type="checkbox"/>																								

<b>7. PAYMENT DETAILS</b> Amount paid (₹ in figures) _____ (₹ in words) _____ <b>ASBA</b> Bank A/c No. _____ Bank Name & Branch _____	<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED SHREDDED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

<b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b>  _____ Date : _____	<b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the line: 1) _____ 2) _____ 3) _____	<b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b>  _____
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<b>LOGO</b>  <b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b> _____	<b>PAN of Sole / First Bidder</b> _____
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Amount paid (₹ in figures) _____ Bank & Branch _____ ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____	<b>Stamp &amp; Signature of SCSB Branch</b>  _____
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<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="2"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="2"></td> </tr> </table>	Option 1	Option 2	Option 3	No. of Equity Shares			Bid Price			Amount Paid (₹)			ASBA Bank A/c No.			Bank & Branch			<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>  <b>Name of Sole / First Bidder</b> _____ <b>Acknowledgement Slip for Bidder</b> <b>Bid cum Application Form No.</b> _____
Option 1	Option 2	Option 3																		
No. of Equity Shares																				
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ASBA Bank A/c No.																				
Bank & Branch																				

#### 4.1.1 FILLED NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE / FIRST BIDDER

- a) Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids should be made in the name of the Bidder/Applicants whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of section 38 of the Companies Act, 2013 which is reproduced below:

*Any person who:*

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
  - *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name, Shall be liable for action under section 447 of the said Act.*
- e) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

- e) Bids by Bidders whose demat accounts have been suspended for credit are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

Bidder/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the offer.

Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders' sole risk.

#### **FIELD NUMBER 4: BID OPTIONS**

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process.
- c) Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) Minimum Bid Value and Bid Lot: The Issuer and the Selling Shareholders in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above ₹1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.
- e) Allotment: The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP or the advertisement regarding the Price Band published by the Issuer.

##### **4.1.3.1 Maximum and Minimum Bid Size**

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum

Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

- e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- g) A Bid cannot be submitted for more than the Offer size.
- h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process

#### 4.1.3.2 Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
  - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
  - (i) Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
  - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - (iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - (iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### 4.1.4 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations. For details of any reservations made in the Offer, Bidders may refer to the RHP.

- c) The SEBI (ICDR) Regulations specify the allocation or allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder may refer to the DRHP.

#### **4.1.5 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.
- c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders should ensure that their investor status is updated in the Depository records.

#### **4.1.6 FIELD 7: PAYMENT DETAILS**

- a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- c) Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- d) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.

Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

##### **4.1.7.1 Payment instructions for Bidders**

- a) Bidders may submit the ASBA Form either:
  - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a

- Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
  - j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
  - k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
  - l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
  - m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.2 Payment instructions for Anchor Investors:

- a) Anchor Investors may submit their Bids with a BRLM.
- b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT
- c) The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor

Investors until the Designated Date.

#### 4.1.7 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.
- d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Offer Closing Date.

#### 4.1.8.1 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable). Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

#### **4.1.8.2 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.8 SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required. In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- c) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

#### **4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- b) All communications in connection with Bid made in the Offer should be addressed as under:
  - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Offer.
  - (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
  - (iii) Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
  - (iv) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
  - (v) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
  - (vi) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
  - (vii) In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- c) The following details (as applicable) should be quoted while making any queries –
  - (i) Full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
  - (ii) Name and address of the Designated Intermediary, where the Bid was submitted; or
  - (iii) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder may refer to the Draft Red Herring Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below: Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

Revision Form – R

COMMON BID REVISION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS	
		Address : .....		Contact Details : ..... CIN No .....	
LOGO		TO, THE BOARD OF DIRECTORS XYZ LIMITED		BOOK BUILT ISSUE ISIN : .....	
				Bid cum Application Form No. ....	

SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
				Mr./Ms. ....	
				Address .....	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Email .....	
				Tel. No (with STD code) / Mobile .....	
				2. PAN OF SOLE / FIRST BIDDER .....	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	
				<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID	

PLEASE CHANGE MY BID												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)			
	(In Figures)								(In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS									
Additional Amount Paid (₹ in figures) .....									
(₹ in words) .....									
PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>									
ASBA Bank A/c No. ....									
Bank Name & Branch .....									

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBREVIATED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFORM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date : .....		I/We authorize the SCSB to do all acts as are necessary to make the Application in the name: 1) ..... 2) ..... 3) .....			

TEAR HERE

XYZ LIMITED		Acknowledgement Slip for Broker/SCSB/ DP/RTA		Bid cum Application Form No. ....	
BID REVISION FORM - INITIAL PUBLIC ISSUE - R					

DPID / CLID		PAN of Sole / First Bidder	
Additional Amount Paid (₹) .....		Bank & Branch .....	
ASBA Bank A/c No. ....		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. ....			
Telephone / Mobile .....			
Email .....			

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1			Option 2			Option 3			Stamp & Signature of Broker / SCSB / DP / RTA			Name of Sole / First Bidder		
	No. of Equity Shares														
	Bid Price									Acknowledgement Slip for Bidder					
	Additional Amount Paid (₹)														
	ASBA Bank A/c No. ....									Bid cum Application Form No. ....					
Bank & Branch .....															

#### 4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION “FROM” AND “TO”**

Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

- a) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- b) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 2,00,000. In case the Bid Amount exceeds ₹2,00,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- c) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non- Institutional Category in terms of the DRHP. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

#### 4.2.3 **PAYMENT DETAILS**

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹2,00,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### 4.2.4 SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### 4.3 SUBMISSION OF REVISION FORM/BID CUM APPLICATION FORM /APPLICATION FORM

##### 4.3.1 Bidders may submit completed Bid cum application form / Revision Form in the following manner:

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Draft Red herring Prospectus/ Bid cum Application Form
Application by Anchor Investor	To the BRLM at the location specified in the Anchor Investor Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

### SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built offer procedure for fixed price offer is not applicable.

### SECTION 6: OFFER PROCEDURE IN BOOK BUILT OFFER

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

#### 6.1 SUBMISSION OF BIDS

- During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.

#### 6.2 ELECTRONIC REGISTRATION OF BIDS

- The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment.
- The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

#### 6.3 BUILD UP OF THE BOOK

- Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.
- Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

#### **6.4 WITHDRAWAL OF BIDS**

- a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediaries,
  - ii. the Bids uploaded by the Designated Intermediaries, and the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### **GROUNDS OF REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price; GIR number furnished instead of PAN; Bid for lower number of Equity Shares than specified for that category of investors; Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;

- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account; Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder; Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SECTION 6: OFFER PROCEDURE IN FIXED PRICE OFFER**

This being Book Built Offer, this section is not applicable for this Offer.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand. In case the aggregate demand in this category is greater than [●]Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all MutualFunds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**
- Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors
- d) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
- e) **Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of OverSubscribed Offer:**
- In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:
- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by

- number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

**Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into

- a) the Public Offer Account.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.** Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Offer Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Offer Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Offer Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Offer through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

#### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

### **8.3 MODE OF REFUND**

- (a) In case of ASBA Bids: Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.
- (b) In case of Anchor Investors: Within six Working Days of the Bid/ Offer Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such

delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

### 8.3.1 Mode of making refunds

The Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

### 8.3.2. Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) NACH—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;
- (b) NEFT—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) RTGS—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) Direct Credit—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

## 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI Regulations and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being
ASBA/ Application Supported by Blocked	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
Application Supported by Blocked Amount Form/ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bidder	All Bidders/Applicants except Anchor Investors
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus.
ASBA Application Location(s) /Specified	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Surat and Ahmedabad
Banker(s) to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public offer Account will be opened and in this case being Kotak Mahindra Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled " <i>Offer Procedure</i> " beginning on page 391.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form

<b>Term</b>	<b>Description</b>
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/ Applicants may refer to the RHP/ Prospectus for the circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/ Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI Regulations.
Bid/ Offer Period cum Application form	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLM	The book running lead managers to the Offer namely Hem Securities Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of NSE India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.

<b>Term</b>	<b>Description</b>
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which the Collection Banks transfer funds from the public offer Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, In relation to the Offer
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Red herring prospectus/ Prospectus of the issuer
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.

<b>Term</b>	<b>Description</b>
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated April 06, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
FCNR Account	Foreign Currency Non-Resident Account
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5 % of the QIB Category available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form

<b>Term</b>	<b>Description</b>
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/Overseas Body	Corporate A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] each, aggregating up to ₹[●] comprising Fresh Issue and the Offer for Sale of ₹ [●] and [●] respectively.
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
Offer Price	The final price at which Equity Shares will be Allotted in terms of the Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing date	The date on which our Company and the Selling Shareholders in consultation with the BRLM, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. [●] under section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
RTGS	Real Time Gross Settlement
Red Herring Prospectus or RHP	<p>The Red Herring Prospectus to be issued in accordance with section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.

<b>Term</b>	<b>Description</b>
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being [●]
Refund through electronic transfer of funds	Refunds through NACH, direct credit, RTGS or NEFT, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/dynaContent/find_a_broker.htm">http://www.nseindia.com/membership/dynaContent/find_a_broker.htm</a>
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Link Intime India Private Limited
Reserved /Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Offer) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time
Share Escrow Agreement	The Agreement to be entered into among the Selling Shareholders, our Company, BRLM and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer For Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allotees
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement dated [●] entered into amongst the BRLM, the Syndicate Members, our Company and the Selling Shareholders in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriter	[●]
Underwriting Agreement	The agreement dated [●] entered into between the Underwriter and our Company

Term	Description
Working Day	Till Application / Offer closing date: All days other than a Saturday Sunday or a public holiday Post Application / Offer closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("**FEMA**"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("**RBI**") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") and the concerned Ministry/ Department as laid out in the FDI Policy 2017.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include :

- (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations;
- (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and
- (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## **INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

(i) **Investment by FIIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro- Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

(ii) **Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme**

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

(iii) **Investment by NRI on repatriation and non-repatriation basis under PIS:**

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000.

The aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures; However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

(iv) **Investment by NRI on Non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.



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The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**US Securities Act**") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bid-cum-Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, and the Lead Manager(s) are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bid- cum-Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **APPLICABILITY OF TABLE 'F'**

1. Subject to as hereinafter provided, the Regulations in Table 'F' in Schedule I to the Companies Act, 2013 (hereinafter referred to as Table F) shall apply to the Company in so far as they are applicable to a public limited company and constitute its regulations, except in so far as they are hereinafter expressly or impliedly, **excluded**, modified or varied under these Articles.

### **INTERPRETATION CLAUSE**

2. In these Articles unless there be something in the subject matter or context inconsistent therewith:
  - a) **"The Act"** means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.
  - b) **"Articles"** means Articles of Association of the Company as originally framed or altered from time to time
  - c) **"Beneficial Owner"** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
  - d) **"Board or Board of Director"** means the Collective body of the Board of Directors of the Company.
  - e) **"Chairman"** means the Chairman of the Board of the Directors of the Company.
  - f) **"The Company"** means **Finecure Pharmaceuticals Limited**
  - g) **"Depositories Act, 1996"** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
  - h) **"Depository"** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
  - i) **"Directors"** means the Directors appointed to the board for the time being of the Company.
  - j) **"Dividend"** includes any interim dividend.
  - k) **"Document"** means a document as defined in Section 2 (36) of the Companies Act, 2013.
  - l) **"Equity Share Capital"**, with reference to any Company limited by shares, means all share capital which is not preference share capital.
  - m) **"KMP"** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
  - n) **"Managing Director"** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
  - o) **"Month"** means Calendar month
  - p) **"Office"** means the registered office for the time being of the Company.
  - q) **"Paid-up share capital"** or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.



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- r) **“Postal Ballot”** means voting by post or through any electronic mode.
- s) **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
- t) **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- u) **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
- v) **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
- w) **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- x) **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).
- y) **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- z) **“Seal”** means the common seal of the Company.
- aa) **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
  - a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
  - b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

### Share Capital

3. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

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4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

### **Issue of Sweat Equity Shares**

5. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

### **Issue of Debentures**

6. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

### **Issue of Share Certificates**

7.
  - i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first
  - ii) The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
  - iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - iv) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.
9. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

10. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

**Power to pay Commission in connection with the Securities issued**

11. i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other

**Variations of Shareholder's rights**

12. i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**Issue of Preference Shares**

14. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

**Further Issue of shares**

15. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
- (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
- (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
- (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

## **Lien**

16. i) The Company shall have a first and paramount lien—
- a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share provided that every fully paid shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at fixed time in respect of such shares; and;
  - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
17. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
- Provided that no sale shall be made—
- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
18. i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## **Joint Holdings**

20. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
  - b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
  - d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
  - e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed

- served on all the joint-holders.
- f) (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
  - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
  - g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

### **Calls on shares**

21. i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
 

Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

Provided further that option or right to calls on shares shall not be given to any person except with the sanction of the shareholders in the general meeting.

  - ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
  - iii) A call may be revoked or postponed at the discretion of the Board.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
25. i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
- iii) or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Board—
  - (i) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

27. Any uncalled amount paid in advance of calls on any share may carry interest but shall not in any manner, entitle the member so advancing the amount, to participate in respect thereof, in any dividend declared subsequently or to participate in profits or voting rights on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.

28. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
29. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Transfer of shares**

30. i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.  
 ii) Each share in the Company shall be distinguished by its appropriate number.  
 ii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.
31. i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.  
 ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.  
 ii) A common form of transfer shall be used in case of transfer of shares.
32. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-  
 (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
 (ii) any transfer of shares on which the Company has a lien.  
 (iii) provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
33. The Board shall decline to recognize any instrument of transfer unless—  
 (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;  
 (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.  
 Provided that, transfer of shares in whatever lot shall not be refused.  
 (iii) The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),  
 (iv) Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;  
 (v) If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
34. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.

35. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

36. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Register of Transfers**

37. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

### **Dematerialisation of Securities**

38. i) The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.
- a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.
- b. Option for Investors:  
Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.
- c. Securities in Depository to be in fungible form:-
- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
  - Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners
- d. Rights of Depositories & Beneficial Owners:-  
Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.
- e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.
- ii) Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.
- iii) Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- iv) Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- v) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

- vi) The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- vii) The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

#### **Transmission of shares**

- 39.
  - i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
  - ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 40.
  - i) Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
    - a. to be registered himself as holder of the share; or
    - b. to make such transfer of the share as the deceased or insolvent member could have made.
  - ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 41.
  - i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
  - ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 42. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
 

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
- 43. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
 

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.

#### **Forfeiture of shares**

- 44. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest

which may have accrued.

45. The notice aforesaid shall –
  - (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
47.
  - i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
48.
  - i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
  - ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
49.
  - i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
  - iii) The transferee shall thereupon be registered as the holder of the share; and
  - iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
50. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
51. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
52. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
53. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
54. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
55. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other

securities including debentures of the Company.

### **Initial payment not to preclude forfeiture**

56. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

### **Alteration of capital**

57. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
58. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

### **Conversion of Shares into Stock**

59. Where shares are converted into stock, —
- (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

### **Reduction of Capital**

60. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—
- i. its share capital;
  - ii. any capital redemption reserve account; or
  - iii. Any share premium account.

### **Share Warrants**

61. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time

require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Capitalisation of profits**

62.
  - i) The Company in general meeting may, upon the recommendation of the Board resolve—
    - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
    - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
    - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
    - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
    - e. The Board shall give effect to the resolution passed by the Company in pursuance of this - regulation.
63.
  - i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
    - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
    - b. generally to do all acts and things required to give effect thereto.
  - ii) The Board shall have power—
    - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
    - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the

amount or any part of the amounts remaining unpaid on their existing shares;

- iii) Any agreement made under such authority shall be effective and binding on such members.
- iv) Capital paid-up in advance of calls may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

### **Buy-back of shares**

- 64. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

### **General Meeting**

- 65. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
- 66.
  - i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii) The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
  - iii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

- 67.
  - i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii)
    - a. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
    - b. In any other case, the quorum shall be decided as under:
      - a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
      - b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
- 68. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
- 69. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 70. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 71. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- 72. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **Demand for poll**

73. i) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
- ii) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **Time of taking poll**

74. i) A poll demanded on a question of adjournment shall be taken forthwith.
- ii) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

### **Adjournment of meeting**

75. i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i) on a show of hands, every member present in person shall have one vote; and
- ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
77. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
78. i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
79. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
80. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
81. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
82. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

83. i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive
84. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently by him have not been paid, or in regard to which the Company has exercised any right of lien.

#### **Casting Vote**

85. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

#### **Representation of Body Corporate**

86. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

#### **Circulation of member's resolution**

87. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

#### **Resolution requiring special notice**

88. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

#### **Resolutions passed at adjourned meeting**

89. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

#### **Registration of resolutions and agreements**

90. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

#### **Minutes of proceedings of general meeting and of Board and other meetings**

91. i) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
- A. In the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- B. In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of

- that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
  - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
    - a. the names of the Directors present at the meetings, and
    - b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
  - iii) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
    - a. is or could reasonably be regarded, as defamatory of any person
    - b. is irrelevant or immaterial to the proceedings; or
    - c. is detrimental to the interests of the Company.
  - iv) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

#### **Minutes to be considered to be evidence**

92. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

#### **Publication of reports of proceeding of general meetings**

93. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

#### **Proxy**

94. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
95. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
96. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

97. The first directors of the Company shall be:  
**MR. VIKASH RAJGARHIA**  
**MR. VIVEK RAJGARHIA**  
**MR. VISHAL RAJGARHIA**
98. The Directors need not hold any "Qualification Share(s)".

## **Finecure Pharmaceuticals Limited**

99. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time director

- i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—
    - a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
    - b. in connection with the business of the company
100. The Board may pay all expenses incurred in getting up and registering the company.
101. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
102. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
103. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
104.
  - i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
  - ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

### **Retirement and Rotation of Directors**

105. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
106. The remaining Directors shall be appointed in accordance with the provisions of the Act.
107. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire

from office.

108. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
109. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
110. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

#### **Nominee Director**

111. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
112. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
113. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
114. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director

Provided that if any such Nominee Directors is an Officer of the Financial Institution, the sitting fees in relation to such Nominee Directors shall also accrue to the Financial Institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

115. Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by

the Lenders.

### **Removal of Directors**

116. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
117. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
118. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
119. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
  - (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

120. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
121. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
122. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

123. Nothing in this section shall be taken-
  - a. as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - b. as derogating from any power to remove a director under other provisions of this Act.

### **Remuneration and sitting fees to Directors including Managing and whole time Directors**

124. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
- b. In connection with the business of the Company.

## **POWERS AND DUTIES OF DIRECTORS:**

### **Certain powers to be exercised by the Board only at meeting.**

125. i) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
  - a. The power to make calls on shareholders in respect of money unpaid on their shares;
  - b. The Power to authorize buy-back of securities under Section 68 of the Act.
  - c. Power to issue securities, including debenture, whether in or outside India
  - d. The power to borrow moneys
  - e. The power to invest the funds of the Company,
  - f. Power to Grant loans or give guarantee or provide security in respect of loans
  - g. Power to approve financial statements and the Board's Report
  - h. Power to diversify the business of the Company
  - i. Power to approve amalgamation, merger or reconstruction
  - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
  - k. Powers to make political contributions;
  - l. Powers to appoint or remove key managerial personnel (KMP);
  - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - n. Powers to appoint internal auditors and secretarial auditor;
  - o. Powers to take note of the disclosure of director's interest and shareholding;
  - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
  - q. Powers to invite or accept or renew public deposits and related matters;
  - r. Powers to review or change the terms and conditions of public deposit;
  - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- i. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- ii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- iv. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

## **RESTRICTION ON POWERS OF BOARD**

126. i) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
- a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
  - b) remit, or give time for the repayment of any debt, due by a Director;
  - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
  - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
  - e) contribute to *bona fide* charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii) Nothing contained in sub-clause (a) above shall affect:
- a. the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
  - b. the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- iii) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- iv) No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
127. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

## **GENERAL POWERS OF THE COMPANY VESTED IN DIRECTORS**

128. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

## **SPECIFIC POWERS GIVEN TO DIRECTORS**

129. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:
- (i) to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
  - (ii) to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property

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- effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- (iii) to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
  - (iv) to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
  - (v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
  - (vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
  - (vii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
  - (viii) Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
  - (ix) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
  - (x) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
  - (xi) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
  - (xii) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
  - (xiii) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
  - (xiv) Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
  - (xv) Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
  - (xvi) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of

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- houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- (xvii) To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
  - (xviii) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
  - (xix) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
  - (xx) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
  - (xxi) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

## MANAGING DIRECTORS

### POWER TO APPOINT MANAGING OR WHOLE-TIME DIRECTORS

130.
  - a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
  - b) The managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
  - c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting

and of the Central Government.

## **PROCEEDINGS OF THE BOARD**

131.
  - a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
132. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.
133.
  - a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
134. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
135. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
136.
  - a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office and if no period is determined then he may continue till he is removed by the board.
  - b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

## **DELEGATION OF POWERS OF BOARD TO COMMITTEE**

137.
  - a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
  - b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
138.
  - a) A committee may elect a Chairperson of its meetings.
  - b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
139.
  - a) A committee may meet and adjourn as it thinks fit.
  - b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
140. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
141. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly

convened and held.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

142. Subject to the provisions of the Act,—

- a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

143. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

**The Seal**

- 144. a) The Board shall provide for the safe custody of the seal.
- b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**DIVIDEND**

145. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

146. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

- 147. a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

- 148. a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

149. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

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150. a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through post directed to the registered address of the holder or, in the case of joint holders, to the registered address of one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may direct in writings.
- b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Provided that the Company may also pay such dividend, interest or other monies through wire transfer or any other electronic means as may be approved by the Reserve Bank of India by crediting such sum to such account of the holder or the joint holder, as the case may be, the details of which has been made available to the Company by such holders of shares.

151. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
152. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
153. No dividend shall bear interest against the Company.

Provided that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.

154. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the "Unpaid Dividend of Finecure Pharmaceuticals Limited" as per provisions of Section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act.

155. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
156. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

## **ACCOUNTS**

157. a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

## **INSPECTION OF STATUTORY DOCUMENTS OF THE COMPANY**

158. Minutes Books of General Meetings
- a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
- (i) be kept at the registered office of the Company, and
- (ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

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Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness at least 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of ₹ 10/- (Ten Rupees only) for each page or part thereof.

## REGISTER OF CHARGES

- 159. a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
  - a. by any member or creditor without any payment of fees; or
  - b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

## AUDIT

- 160. a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

## WINDING UP

- 161. Subject to the provisions of Chapter XX of the Act and rules made there under—
  - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.

## INDEMNITY

- 162. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under.

**SECRECY**

163. a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
- b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the date of Offer Closing Date.

#### **A. Material Contracts for the Offer**

1. Offer Agreement dated February 5, 2018 amongst our Company, the Selling Shareholders and the BRLM.
2. Registrar Agreement dated February 5, 2018 amongst our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow agreement dated [●] amongst our Company, the Selling Shareholders, the BRLM, the Escrow Collection Banks, the Refund Bank(s), Public Offer Bank(s) and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] amongst our Company, the BRLM, the Selling Shareholders, the Syndicate Members and the Registrar to the Offer.
6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.
7. Market Making Agreement dated [●] between our Company, the BRLM and the Market Maker.
8. Tripartite Agreement dated December 20, 2017 entered into among our Company, NSDL and the Registrar to the Offer.
9. Tripartite Agreement dated January 11, 2018 entered into among our Company, CDSL and the Registrar to the Offer.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated March 18, 2005 and certificate of commencement of business dated April 12, 2005.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated December 28, 2017 and January 29, 2018 respectively, authorizing the Offer and other related matters.
4. Resolution of the Board of Directors of our Company dated April 6, 2018 approving this Draft Red Herring Prospectus.
5. Copies of the annual reports of our Company for the period ended December 31, 2017 and the five (5) fiscals immediately preceding the date of this Draft Red Herring Prospectus i.e. for the year ended March 31, 2017, 2016, 2015, 2014, and 2013.
6. Auditor's report for Restated Standalone and Consolidated Financials dated February 07, 2018 included in this Draft Red Herring Prospectus.
7. Copy of the Statement of Tax Benefits dated December 13, 2017 from the Statutory Auditor M/s Shah & Iyer, Chartered Accountants.
8. Consents of Bankers and lenders to our Company, (*where such consent is required*), Banker to Offer, the Book Running Lead Manager, Registrar to the Offer, Legal counsel, ICRA Limited, Selling Shareholders, Promoters of our Company, Directors of our Company, Chief Financial Officer and Company Secretary and Compliance Officer, Statutory Auditor and Peer Review Auditor as referred



**Finecure Pharmaceuticals Limited**

- to act, in their respective capacities.
9. Due Diligence Certificate from the Book Running Lead Manager dated April 06, 2018 filed with Stock Exchange and to be filed with SEBI
  10. In-principle listing approval dated [●] from the NSE for listing the Equity Shares on the SME Platform of NSE and to include their name in the Red Herring Prospectus and the Prospectus.

Any of the contracts or documents mentioned in Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance with the provisions contained in the Companies Act.

**DECLARATION**

We, the Directors, hereby certify and declare that, all relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SEBI Act or rules made thereunder or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS, CFO AND CS OF OUR COMPANY**

<b>Vikash Rajgarhia</b> Chairman and Managing Director DIN: 00225426	<b>Vivek Rajgarhia</b> Whole-time Director DIN: 00225406
<b>Vishal Rajgarhia</b> Whole-time Director DIN: 00225415	<b>Mukesh Tarachand Agarwal</b> Independent Director DIN: 00118813
<b>Anshu Krishna Agrawal</b> Non Executive Non Independent Director DIN: 07931194	<b>Anjala Sultania</b> Independent Director DIN: 07933625
<b>Ashish S. Sanghvi</b> Chief Financial Officer PAN No:BPKPS0187Q	<b>Sonamben Zatkia</b> Company Secretary and Compliance Officer Membership No:44509

Date: April 06, 2018  
Place: Ahmedabad



**Finecure Pharmaceuticals Limited**

**DECLARATION BY SELLING SHAREHOLDERS**

We, the undersigned selling shareholders hereby certify that all statements in this Draft Red Herring Prospectus about us or in relation to us in connection with the Offer and the Equity Shares offered by us in the Offer, are true and correct. We assume no responsibility for any other statements, including statements made by the Company, in this Draft Red Herring Prospectus.

**Signed by Selling Shareholders**

<b>Vikash Rajgarhia</b>	<b>Vivek Rajgarhia</b>
<b>Vishal Rajgarhia</b>	<b>Archana Rajgarhia</b>
<b>Pooja Rajgarhia</b>	<b>Priti Rajgarhia</b>
<b>Ushadevi Rajgarhia</b>	

Date: April 06, 2018

Place: Ahmedabad